

Nanaimo Foundry and Machinists Local 3 (April 1, 2006 - March 31, 2009)

**COLLECTIVE AGREEMENT**

**BETWEEN**

**NANAIMO FOUNDRY AND ENGINEERING WORKS LTD.**

**AND**

**MACHINISTS, FITTERS AND HELPERS  
INDUSTRIAL UNION LOCAL NO. 3**

**APRIL 1, 2006 – MARCH 31, 2009**



## Index by Articles

<b>Article</b>	<b>Subject</b>	<b>Page</b>
1	Agreement .....	1
2	Union Membership .....	1
3	Union Dues – Check-off .....	1
4	Statutory Holidays .....	2
5	Vacations with Pay .....	3, 4 & 5
6	Hours of Work and Overtime .....	5, 6 & 7
7	Dual Classification .....	8
8	Seniority .....	8 & 9
9	Adjustments of Complaints .....	10 & 11
10	Bereavement Pay, Jury Duty Pay And Severance Pay .....	11
11	Transportation .....	11 & 12
12	General Provisions .....	12 & 13
13	Moonlighting .....	13
14	Welfare Plan & Pension Plan .....	14
15	Incidentals .....	15 & 16
16	Apprenticeships .....	16 & 17
17	Wages .....	17 & 18
18	Duration of Agreement .....	19
	Letter of Understanding – Outside Field Work ....	20
	Wages - Schedule “A” .....	21

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**ARTICLE 1: AGREEMENT**

The parties hereto agree as follows:

- (A) The Company agrees to recognize the Union as the sole bargaining agency of the employees working in the Nanaimo Foundry and Engineering Works Ltd., Chemainus, British Columbia.
- (B) The Company further agrees not to discharge or refuse work to the employees on account of their Union affiliation.

**ARTICLE 2: UNION MEMBERSHIP**

Only members of this Union shall be employed. In the event of the Union being unable to supply competent workers, no person who is unfair to this Union will be hired. Hiring anyone not in this Union will require that person to pay a Permit Fee which is equal to one (1) month's Union dues, to be deducted from the payroll. After four (4) weeks of steady employment, the permit holder will be required to make application to join the Union.

A Work Permit card must be obtained from the Shop Steward by each new employee prior to commencement of work. This card will spell out the classification and rate of pay of the employee and will serve as a vehicle allowing payroll deductions for Union Dues.

As a condition of continued employment, or continued rights to recall by seniority, employees must join and maintain membership in good standing in the Union.

**ARTICLE 3: UNION DUES – CHECK-OFF**

The Company agrees that, upon written authorization, it will, during the term of the contract, deduct from the employees' pay on the first day of each calendar month the amount of Union dues and initiation fees so authorized to be deducted, and will transmit the total of the amounts so deducted to the Secretary-Treasurer of the Union on or before the first day of the following month.

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**ARTICLE 4: STATUTORY HOLIDAYS**

- (A) The following Statutory Holidays, or the days which are designated for them, and any other days declared as legal holidays by the Provincial and/or Federal Governments, shall be observed:

New Year's Day	Canada Day	Remembrance Day
Good Friday	B.C. Day	Christmas Day
Victoria Day	Labour Day	Boxing Day
Thanksgiving Day	* Floating holiday (1)	

To qualify for Statutory Holiday pay, a new employee must have been on the Company's payroll for a minimum of thirty (30) days (calendar) immediately prior to the holiday.

It is understood that the Company will not lay off and rehire employees around Statutory Holidays in order to eliminate qualification for payment of same.

- (B) When a Statutory Holiday falls on a Saturday or Sunday, the following Monday will be observed by the Company and employees as the paid holiday.

When a pair of Statutory Holidays fall on a Saturday and Sunday, the following Monday and Tuesday will be observed by the Company and employees as the paid holidays.

Employees must work one day immediately before and one day immediately after a Statutory Holiday to be eligible for pay unless permission has been granted by management to take either or both days off (without pay).

\* (B) will not apply to the Floating holiday.

- (C) The Company will pay each employee eight (8) hours' pay (straight time) for Statutory Holiday pay. Payment will be made along with the employees' regular pay the following payday.
- (D) Statutory Holidays are to be paid if employees are away from work due to illness or on vacation.

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**ARTICLE 5: VACATIONS WITH PAY**

**SECTION 1:**

- (A) The “Vacation Year” for the purposes of this article will conclude at the anniversary date of each individual employee.

Holiday pay is to be paid out during time off for holidays. Time off must be taken equivalent to employees’ entitlement, and vacations not taken during the twelve months following their anniversary dates cannot become cumulative. However, by mutual agreement, holiday time may be postponed if necessary. No employee shall receive money in lieu of annual vacation. Itemized statements of holiday pay shall be given to employees at year’s end.

- (B) Vacation time is to be arranged by mutual agreement between Company and employee. When a conflict arises seniority will govern. In the event of broken or temporary employment, this vacation credit shall be paid upon separation.

- (C) Employees with less than one (1) year service with the Company will be entitled to one (1) day’s vacation for each calendar month worked up to a maximum of ten (10) working days that year.

Employees who have completed one (1) year of service with the Company will, on their anniversary date, be entitled to two (2) weeks vacation. Pay for this time will be either two weeks (80 hours) at straight time present rate or four (4%) per cent of gross earnings of the vacation year, whichever is greater. “Vacation year” refers to the preceding 12 months.

- (D) Employees who have completed three (3) years of service with the Company will, on their anniversary dates, be entitled to three (3) weeks of vacation. Pay for this time will be either three weeks (120 hours) at straight time present rate or six (6%) per cent of gross earnings of the vacation year, whichever is greater. “Vacation year” refers to the preceding 12 months.

- (E) Employees who have completed seven (7) years of service with the Company will, on their anniversary dates, be entitled to four (4) weeks of vacation. Pay for this time will be either four weeks (160 hours) at straight time present rate or eight (8%) per cent of gross earnings of the vacation year, whichever is greater. “Vacation year” refers to the preceding 12 months.

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**ARTICLE 5: VACATIONS WITH PAY continued**

- (F) Employees who have completed ten (10) years of service with the Company will, on their anniversary dates, be entitled to five (5) weeks of vacation. Pay for this time will be either five weeks (200 hours) at straight time present rate or ten (10%) per cent of gross earnings of the vacation year, whichever is greater. "Vacation year" refers to the preceding 12 months.
- (G) Employees who have completed fifteen (15) years of service with the Company will, on their anniversary dates, be entitled to six (6) weeks of vacation. Pay for this time will be either six weeks (240 hours) at straight time present rate or twelve (12%) per cent of gross earnings of the vacation year, whichever is greater. "Vacation year" refers to the preceding 12 months.
- (H) In a case where an employee is laid off for a two-month period or greater, or is on sick leave for a period greater than six months, the holiday pay will be calculated by percentage only.
- (I) Time away from work due to Workers' compensation, sick leave, school or convention attendance will not be considered or classed as holidays when remuneration from these sources are received.
- (J) It is the duty of both employer and Union to ensure that all holidays to which an employee is entitled are taken.

**SECTION II:**

Employees hired after October 1, 1987 will receive holidays as follows:

- (A) Less than three (3) years - two (2) weeks.
- (B) After three (3) years - three (3) weeks or 6%.
- (C) After seven (7) years - four (4) weeks or 8%.
- (D) After thirteen (13) years - five (5) weeks or 10%.
- (E) After eighteen (18) years - six (6) weeks or 12%.

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**ARTICLE 5: VACATIONS WITH PAY continued**

**SECTION III:**

(A) Vacation Overtime

- 1) Overtime can be paid out in one of three ways:
  - (i) Normally it will all be paid on the following cheque.
  - (ii) Vacation Overtime (VO time) means that fifty (50%) per cent will be paid on the following pay day and the remaining fifty (50%) percent will be banked by the Company and retained until the employee requests it (usually to cover time off at future dates).
  - (iii) All overtime will be banked and retained until the employee requests it.
- 2) Employee will declare on the daily time slip either option (i), (ii) or (iii) above.
- 3) Employees who do not declare will be paid on the following cheque.
- 4) VO time of up to four (4) days must be arranged by mutual agreement between the Company and the employee. VO time greater than this must be approved by management.
- 5) A maximum of sixty (60) hours' accumulation are permitted. Further overtime worked will be paid out at normal overtime rates.

**ARTICLE 6: HOURS OF WORK AND OVERTIME**

- (A) The regular working week shall be forty (40) hours from Monday to Friday or Tuesday to Saturday. Regular working hours of day shift are from 8:00 a.m. until 4:30 p.m. with lunch period from Noon to 12:30 p.m.

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**ARTICLE 6: HOURS OF WORK AND OVERTIME continued**

The Tuesday to Saturday shift will be governed by the following:

- (i) The schedules for Tuesday to Saturday will commence with two (2) employees. As the volume of work increases, the number may be increased to a maximum of four (4). The schedule will be arranged at least one (1) month in advance.
  - (ii) People working this shift will receive premium rate for Saturday only. Premium rate is normal rate plus three (3) dollars per hour. Should overtime be required of anyone on a shift Saturday, the overtime will be calculated using the premium rate.
  - (iii) All tradesmen will take equal turns working this shift.
- (B) All work performed before and/or after regular shift hours will be considered overtime and paid at overtime rates. All overtime is voluntary.

Double time (2X) will be paid for all overtime.

- (C) Since the working day begins at 8:00 a.m., work prior to this time will be overtime. Employees called in to work after the regular shift shall be paid at usual overtime rates for the time worked with a minimum of two (2) hours' pay at overtime rate.
- (D) The Company shall give as much notice as possible, to the employee, of any shift change. In the case of an afternoon shift (2<sup>nd</sup> shift) being employed, the starting time will be 4:30 p.m. to 12:30 a.m. with one-half (1/2) hour for lunch. This shift will receive eight and one-quarter (8 1/4) hours' pay for seven and one half (7 1/2) hours' work. When a graveyard shift (3<sup>rd</sup> shift) is required, it will start at 12:30 a.m. and continue until 8:00 a.m. with one half (1/2) hour for lunch. Pay for this shift will be eight and one half (8 1/2) hours for seven (7) hours' work.

Payment to Health & Welfare Plan and Pension Plan on these shifts will be 8 hours.

- (E) **Seniority for overtime and shiftwork.**  
Provided that employees have the skill and ability to perform the work, the principle of seniority shall govern and control in all cases of assignment of overtime and shiftwork, except where it would be unreasonable to make changes.
- (F) Unless otherwise notified, employees who report for their regular shift will receive a minimum of four (4) hours' pay unless reasons beyond the control of the employer make it necessary to close the plant or part thereof. In this case, employees may be sent home and paid only for the actual time worked, or a minimum of two (2) hours, whichever is greater.

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**ARTICLE 6: HOURS OF WORK AND OVERTIME continued**

- (G) Time and one-half (1-1/2X) will be paid for all dirty work as outlined below. This will be considered the regular rate of pay for these jobs:
- Metal spraying and related grinding (unprotected)
  - Sand blasting
  - Steam cleaning
  - Brazing and bronze welding
  - Burning, welding or grinding galvanized metal
  - “Pickeling” stainless steel (unprotected)
  - Working in confined space
  - Field work in abnormal conditions (excessive rain, snow, wind, mud, grease etc.)
  - Welding and burning on zinc rich paint applied at Nanaimo Foundry.
- (H) Anyone required to work through a regular lunch period will be paid at the overtime rate for such work and be given sufficient time to eat lunch within an hour following the regular lunch period.
- (I) When someone is transferred from one shift to another, and the new shift does not last three (3) consecutive normal shifts or more, time worked on these shifts will be paid at overtime rates. New people hired for the second shift will be paid the shift rate.
- (J) Employees who work overtime so that eight (8) hours do not elapse between the end of their overtime and the beginning of their regular shifts will not be required to report for work until there has been a break of eight (8) hours. Straight time will then be paid for the remainder of their shifts. If, for emergency reasons, they are called in without an eight (8) hour break, double time will be paid for the hours worked. All work without an eight (8) hour break will be at overtime rate and will continue until such time as a continuous eight (8) hour break is observed.
- (K) Employees who have worked their regular shifts, and worked overtime to the extent of not getting their eight (8) hours break, will not lose the time taken from their regular shifts to make up their (8) hours break.
- (L) The employer is required to provide hot meals to employees working overtime every four (4) hours or \$15.00 in lieu.
- (M) Coffee breaks of ten (10) minutes’ duration are to be provided twice during every shift.

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**ARTICLE 7: DUAL CLASSIFICATION**

In the case where an employee works in a dual capacity, the rate applicable to the work performed will be paid unless it is lower than the employee's normal rate. The higher rate will be paid for a minimum of two (2) hours in any work day.

**ARTICLE 8: SENIORITY**

(A) Skill and ability being equal in the opinions of the Company and the Union, all employees will be laid off and rehired on seniority within the classification.

(B) In the event of a lay-off taking place, employees will be laid off in accordance with length of service with the company (i.e. last hired will be first laid off). In order to lay anyone off out of seniority the difference in skill and ability must be distinct.

(C) When re-hiring, the Company and Union agree to do so in reverse order (i.e. last laid off will be first re-hired). No new employee will be hired to fill any vacancy or occupy any new position until the seniority list is exhausted. It is therefore agreed that employees will retain re-hire rights during layoffs.

(D) Discussion will be held with a Union representative and a Company representative before a lay-off or rehire out of seniority is made.

(E) Seniority of each employee covered by this Agreement will be established after a probationary period of thirty (30) days worked within a three (3) month period. The seniority date will be the first day worked.

(F) The Company shall prepare a Seniority list and make it available to the Union upon request.

(G) Seniority on the shop floor will not include Charge Hands as long as they do not perform work. \*Charge Hands will also be known as or referred to as Foreman. Lead Hands do not have to be chosen based on seniority, but they must be working within the proper order of the seniority list.

(H) Regarding apprentices, three (3) tradesmen within the trade, including the Charge Hand, must be working on the jobsite prior to recalling the apprentice. This ratio of three (3) to one (1) will apply throughout the entire seniority list except when the seniority list has been exhausted in the trade concerned.

**(I) Subcontracting**

The Company agrees that it will not subcontract out any work which will result in the lay-off of any employees in the bargaining unit or which will prevent the rehiring of any employee with recall rights, unless the employee leaves of their own accord. Except in cases where the economic advantage is substantial.

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**ARTICLE 8: SENIORITY continued**

(J) Seniority of employees shall be lost in the following circumstances:

1. Employees quitting of their own accord.
2. Employees discharged for cause and who are not reinstated by the Company under the Grievance Procedure of this Agreement.
3. Employees who are out of service of the Company for an unbroken period of more than one (1) year if they have less than three (3) years of seniority, and two (2) years if they have three (3) years or more of seniority except:
  - (i) An employee who is out of service of the Company due to illness or injury for a maximum period of two (2) years.
  - (ii) An employee who is granted a Leave of Absence for a maximum of two (2) years.
  - (iii) Employees on W.C.B. as a result of an accident during the course of his work for the Company and who is absent for a period exceeding the above noted time periods, shall not be considered to have been out of the employ of the Company for a period exceeding the above noted time periods, when returning to work, unless he has been laid off, in accordance with seniority, during the time absent on W.C.B. and the extent of the lay-off is more than the applicable time period.
  - (iv) Employees on W.C.B. or Sick Leave will be given time credit for vacation accumulation.

(K) Apprentices, upon successful completion of their apprenticeship shall be given Journeyman seniority as follows: 100% of time served.

(L) When employees are laid off due to lack of work, seniority shall be maintained for the period of lay-off, providing work is not available. An employee with seniority standing, when recalled to work, shall have the right to decide on a by-pass. If by-passing the first call to work, the employee shall lose his seniority standing if he does not come in on the second call. There shall be a minimum of sixty (60) calendar days between the first and second call, if the employee becomes available during this period he will notify the Company and will be called when work is available.

(M) When employees change classification they must relinquish seniority in their present classification and commence to accumulate seniority in their new classification.

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**ARTICLE 9: ADJUSTMENTS OF COMPLAINTS**

- (A) A Shop Steward Committee of two (2) regular employees of the Company will be elected by the shop's Union members in a manner determined by them. The Company will be kept informed by the Union of such personnel. This committee will act as Grievance Committee and will thereby take action on behalf of any employee who has a complaint arising from this Agreement.
- (B) Should differences arise as to the application of the provisions of this Agreement, there will be no strikes, work stoppages or suspensions on the part of either Union or employees, nor lockouts on the part of the Company, due to such differences until the following procedure has been carried out:
- 1) The question must first be taken up by the employee concerned, accompanied by the shop steward with the person directly in charge of the worker.
  - 2) If no settlement is reached at this level, representatives of the Union will meet with Company management on the matter.
- (C) If differences have not been resolved by the preceding steps, be they matters of dismissal, discipline, treatment, or suspension of an employee, or interpretation, application, operation or violation of the Agreement, an independent arbitrator agreed upon by both Company and Union will at the request of both parties be called upon to:
- 1) Investigate the differences.
  - 2) Define the issues in the differences.
  - 3) Make written recommendation to resolve the differences within five (5) days of the date of the receipt of the request.

The recommendations of the arbitrator will be final and binding to both parties.

All interpretations of this Agreement shall be in writing and signed by representatives of the parties concerned and shall become part of this Agreement.

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**ARTICLE 9: ADJUSTMENTS OF COMPLAINTS continued**

**Discipline**

**Letters**

After three (3) years from issuance the Company will remove Letters of Concern and Warning Letters from employees files and shall not be used against the employee in future proceedings. Copies of all letters will be sent the Union.

**Burden of Proof**

In all cases of discipline, the burden of proof of just cause shall rest with the Employer.

**Right to Have a Shop Steward Present**

If an employee is to be interviewed for disciplinary purposes, he/she shall have the right to have a shop steward present during the discussion.

**ARTICLE 10: BEREAVEMENT PAY, JURY DUTY PAY AND SEVERANCE PAY**

- (A) In the event of death in the immediate family of an employee, the Company will grant three (3) days leave of absence with full pay. Up to four (4) days with pay will be granted when out of town travel is necessary and greater than 250 kilometers. Immediate family means spouse or common-law spouse, mother, father, step-mother, step-father, sister, brother, children, grandparents, grandchildren, step-children and in-laws. An additional three (3) days leave of absence will not be denied nor paid. Common-law will apply to all aspects of bereavement and will be considered equal.
- (B) All time lost by an employee due to necessary attendance on Jury Duty or on call for Jury Duty or as a Subpoenaed Witness will be paid for at the difference between the regular hourly pay and the amount received for such duty provided that any such employee will be available, wherever practicable, for work before or after being required for such duty.
- (C) If an employee leaves the Company permanently due to sickness, injury or retirement, he will receive one (1) day Severance Pay for each year of service with the Company after five (5) years, but retroactive to commencement date. If fired due to just cause, there will be no Severance Pay. If the Company sells the business, employees qualify for Severance Pay if the business does not continue. No Severance Pay will be paid if an employee leaves of his own volition for other employment.

**ARTICLE 11: TRANSPORTATION**

- (A) When employees are required to work at points outside the shop, they will be supplied with first class transportation and first class room and board while away. Traveling time will be paid at the rate of one (1) day's pay for each traveling day.

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**ARTICLE 11: TRANSPORTATION continued**

When an employee is instructed to proceed to outside work, shop rates and conditions will prevail throughout. Union rates for work similar in nature and kind prevailing in the district where work is performed will apply. A combination of the two rates will not apply (higher outside rate plus higher Company overtime rate). Where categories of machinist or welder do not exist, employees will receive regular Nanaimo Foundry rates.

(B) Employees using their own vehicles for transportation on Company time will be compensated for the use of such vehicles at the rate of fifty (\$0.50) cents per kilometer traveled. Adequate automotive insurance coverage will be provided by the Company to cover employee and vehicle while on Company business.

**ARTICLE 12: GENERAL PROVISIONS**

(A) The Company will supply gloves, hard hats, ear muffs and safety glasses within limits determined by the Company. The Employer will provide frames and the Employee will pay the cost of lenses for prescription safety eyewear. The Company will supply welders with a maximum of two (2) pairs of welders gloves per year. Rental coveralls will be provided to all employees by the Company. The Company will also provide one hundred dollars (\$100.00) per year safety shoe allowance after the employee has been employed for 120 calendar days.

(B) The Company will provide rain clothes to employees when required to work outside.

(C) The Company will pay for the replacement or repair of precision tools and replace all tools lost due to fire or theft. Tools must be of equal value. The Company will make tools available for employees to purchase at wholesale prices.

(D) No employee is to work alone. If a second employee is not present, the customer or representative must first be familiar with and capable of shutting off the machine being used. In the event of a portable welding job or magnafluxing, the operator or customer may double as a second man.

(E) A yearly tool allowance of seventy-five dollars (\$75.00) will be paid to each employee when tools are purchased on account. This tool allowance will be credited automatically up to the \$75.00 maximum. When purchased directly by the employee, receipts are required. This allowance is for tools only. Employees are eligible after their first anniversary date with the company.

(F) Employee information sheet will be faxed to the Union for new employees only.

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**ARTICLE 12: GENERAL PROVISIONS continued**

**Technological Change**

Technological Change

In view of the possible impact of manpower and conditions of employment resulting from technological changes and automation, it is agreed that the Parties hereto utilize to the best advantage of the Company and the employees, all scientific improvements and establish a committee to be known as the Committee on Automation consisting of equal representation by the Company and Union. The Committee's duties shall be to investigate and submit recommendations on all aspects of automation, mechanization and new methods, and to include the following:

- (a) Training and retraining.
- (b) Alternate employment opportunities within the Company.

In addition, the Company will, if possible, inform the Committee six (6) months prior to the introduction of any new equipment which will require extensive retraining or will result in loss of employment.

In addition, the Company will cooperate with the Union and the Government in matters of training or retraining.

If an employee whose service exceeds three (3) years is terminated as a result of technological change, he will receive severance pay of one (1) week's pay for each year of service in excess of three (3) years with a maximum payment of eight (8) week's pay.

**ARTICLE 13: MOONLIGHTING**

Both Company and Union agree that the practice commonly known as "moonlighting" is wrong in principle. For the purpose of this clause, moonlighting is considered as work by a full-time employee who regularly makes a practice of working for another employer for a substantial number of hours during the week.

When this practice affects or conflicts with the Company's business or the employee's ability to perform his work, it will provide just cause for reprimand or dismissal.

When this practice affects or conflicts with Union policy, the Company agrees to cooperate with the Union in reprimand or dismissal.

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**ARTICLE 14: WELFARE PLAN & PENSION PLAN**

**Section 1:**

The Company will pay into a health & welfare plan, as directed by the Union, for each employee, for each hour worked as set out in Schedule "A".

Laid off employees will receive up to one hundred and forty (140) hours paid by the Company upon notice of shortage of hours in the Welfare Plan. Employees qualify for this coverage after one (1) year seniority with the Company. Employees discharged for just cause or quitting of their own volition will not be eligible for this coverage. Entitlement will renew upon rehire.

The Company will inform the Welfare Plan administrator of any laid off employees and the Welfare Plan administrator will supply an hour bank balance and further notify of an hour bank shortage.

Employees on W.C.B.: After all the employee's banked hours are used up, the Company will maintain the employee's minimum banked hour requirements until the employee is able to return to work.

**Section 2:**

The Company will pay into a pension plan, as directed by the Union, for each employee, for each hour worked as set out in Schedule "A".

**Section 3:**

The Company agrees to submit to the Union welfare plan and pension plan a list of employees together with the number of hours actually worked by each employee covered by the Company's remittance to the Union welfare plan and pension plan regardless of shifts worked. The Company agrees to submit 8 hours to the welfare and pension plans for each vacation day taken.

**Section 4:**

The Union will submit an audited statement of the welfare plan to the Company annually.

**Section 5:**

When an employee is absent from work due to illness for a full two (2) weeks, the Company will pay the waiting period at Machinists Local 3 Welfare Plan rates. A doctor's certificate is required.

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**ARTICLE 15: INCIDENTALS**

A person employed by the Company must possess all basic tools as per list:

**Welder:**

- Welding helmet
- Burning goggles
- Gloves
- Striker
- Tip cleaners
- Hammer
- Center punch
- Chipping hammer
- Wire brush
- Vise grips
- 12" square set
- Measuring tape 20'
- 12" Crescent wrench

**Machinist:**

- Outside micrometers to 4 inches
- Inside micrometers to 12 inches
- Thread pitch gauges for Standard and Metric
- 60° thread gauge
- 6" Vernier caliper
- Combination square set
- 6" dividers
- Scriber
- Hammer
- Center punch
- Feeler gauges
- Dial indicator c/w magnetic base
- 12" Crescent wrench
- Small tine snips
- Screw driver
- Allen wrench set to 3/8"
- Hack saw
- Misc. punches and chisels
- Measuring tape 8'
- Misc. inside and outside calipers up to 6"

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**ARTICLE 15: INCIDENTALS continued**

If an employee is to leave the shop for any reason while working, he is to notify management of his intention and reason for leaving.

**Lead Hand – Charge Hand**

Lead Hand rate will apply to one (1) of three (3) people working outside the shop.  
Lead Hand rate: 104.5 % of the Journeyman rate, per hour on regular time and overtime.

Lead Hand rate will apply in the absence of the Charge Hand to one (1) of three (3) people working in the shop on overtime. Rate is outlined above.

The Lead Hand rate will apply to one (1) of three (3) or more people on afternoon shift. Rate is outlined above. The Lead Hand will be in charge and will carry out the instructions of management. The Company reserves the right to select Lead Hands, Charge Hands, and Foremen.

The Charge Hand is responsible for the complete shop.  
Charge Hand Rate: 106.5 % of the Journeyman rate, per hour on regular time and overtime.

Note: Charge Hands will also be known as or referred to as Foreman.

Note: This article will follow the seniority guidelines set out in ARTICLE 8.

No employee shall be under the influence of alcohol or drugs while on the job. Any employee guilty of this will be suspended immediately from the shift without pay.

Abuse of this will result in:

- a) First offence - Verbal warning
- b) Second offence - Written warning
- c) Third offence - Dismissal

**ARTICLE 16: APPRENTICESHIPS**

For each day an apprentice attends classes at Vocational School, the Company will continue to pay the apprentice's full time wages. The Company will recover the appropriate Canada Manpower grants allocated to the apprentice.

**ARTICLE 16: APPRENTICESHIPS continued**

The Company agrees to provide each apprentice, wherever and whenever possible, with adequate instruction and practice on the various machine tools in the plant and also to provide instruction and practice on Fitting, Welding, Heat treating, etc. or any other activity that is or may become a part of its operation.

Apprentices are to start at fifty-five (55%) per cent of Journeyman’s pay rate.

Period of Apprenticeship (4 year term):

1st 6 months.....	55%
2nd 6 months.....	60%
3rd 6 months.....	65%
4th 6 months.....	70%
5th 6 months.....	75%
6th 6 months.....	80%
7th 6 months.....	90%
8th 6 months.....	95%

Apprentices will receive percentage increases based on the length of time served.

Note: This article will follow the seniority guidelines set out in ARTICLE 8.

**ARTICLE 17: WAGES**

The Company agrees to the wage rates set out in Schedule “A” which is attached to and form part of this Agreement.

**WAGES:**

- (1) The journeyman rate will increase as follows. Effective after the last pay period in December 2006 2.5% (\$0.76), on April 1, 2007 2.5% (\$0.77) and on April 1, 2008 2.5% (\$0.79). All other rates listed under the classifications in Schedule “A” will be increased by the same monetary value as the journeyman rate. The exception will be the Helper/Labourer which shall receive 50% of the journeyman rate.

New employees hired after October 1, 1991 will start at eighty-five (85%) percent of Classification Rate for up to one (1) month.

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**ARTICLE 17: WAGES continued**

**CLASSIFICATIONS:**

**Machinist:** Rate: See Schedule “A”.

Any person who has successfully completed an apprenticeship or holds a TQ Certificate or an inter-provincial TQ Certificate.

**Fitter/Welder:** Rate: See Schedule “A”.

Same as above.

**Welder:** Rate: See Schedule “A”.

Anyone who has successfully completed a welding course and is competent in most common welding practices. This person must possess some fabricating skills necessary to perform most of the operations in use.

**Specialist:** Rate: See Schedule “A”.

Drill press operator.

Vertical Band Saw (Peerless Saw) operator.

CNC operator.

Note: This rate will apply when directed by the Charge Hand.

**Shipper:** Rate. See Schedule “A”.

The shipper/receiver.

**Helper/Labourer:** Rate: See Schedule “A”.

(50% of the journeyman rate during probation period)

Any person hired to perform cleaning, delivering, painting, loading and unloading, and any non-technical plant maintenance. This person may also assist tradesmen, but not perform such tasks directly.

In order to assist the “Welder” become “Fitter/Welder”, the company will acquire and lend the appropriate books/tools to said employees and pay for their first tests. The company will pay four hours to cover time lost writing these tests.

Machinists interested in operating the CNC lathe will be required to write an aptitude test. Training of successful applicants will be by seniority.

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**ARTICLE 18: DURATION OF AGREEMENT**

This agreement is to remain in effect from April 1, 2006 until March 31, 2009.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2007 in the City of Chemainus, B.C.

Nanaimo Foundry & Engineering  
Works Ltd.

Machinists, Fitters & Helpers  
Industrial Union Local No. 3

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LETTER OF UNDERSTANDING

BETWEEN: Nanaimo Foundry and Engineering Works Ltd.

AND: Machinists, Fitters & Helpers, Industrial Union, Local No. 3

Outside Field Work

It is agreed that:

Nanaimo Foundry Shop and Nanaimo Foundry Field are two separate operations and there will be no crossover privileges between operations.

Whenever possible employees laid off from either operation will be used when practicable before any outside hiring, providing that it does not interfere with the smooth performance of either operation and is not in conflict with the collective agreement.

Employees from Nanaimo Foundry Shop who are hired by Nanaimo Foundry Field Division for Outside Field Work shall receive the going field rate for the time spent on that job.

Shop work will take precedence over field work when shop seniority employees have been hired for Outside Field Work. When shop work load warrants rehire, shop seniority employees must be recalled first.

This Letter of Understanding does not include shop employees who are sent for outside work under Article 11: Transportation (A) and (B).

Field employees will not be permitted to use shop facilities.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2007 in the City of Chemainus, B.C.

Nanaimo Foundry & Engineering Works Ltd.

Machinists, Fitters & Helpers Industrial Union Local No. 3

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Schedule "A"

Wage Rates

Classification	After Last Pay Period Dec/06	April 1/07	April 1/08
Machinist	\$30.99	\$31.76	\$32.55
Fitter/Welder	\$30.99	\$31.76	\$32.55
Welder	\$27.21	\$27.98	\$28.77
Specialist	\$24.69	\$25.46	\$26.25
Shipper	\$23.47	\$24.24	\$25.03
Helper/Labourer	\$19.65	\$20.42	\$21.21
Helper/Lab (50%)	\$15.50	\$15.88	\$16.28

Health & Welfare & Pension

Contribution for each employee per hour worked

These payments are paid on vacation (one vacation day = 8 hours to H&W)

These payments are paid on vacation (one vacation day = 8 hours to Pension)

\$5.10

\$5.40

\$5.75

The payments for Health and Welfare & Pension will be split as directed by the Union.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2007 in the City of Chemainus, B.C.

Nanaimo Foundry & Engineering  
Works Ltd.

Machinists, Fitters & Helpers  
Industrial Union Local No. 3

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