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COLLECTIVE AGREEMENT

BETWEEN: WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION

for and on behalf of Ramsay Machine Works Ltd.

(hereinafter referred to as the "Company")

AND: MACHINISTS, FITTERS AND HELPERS, LOCAL #3, C.L.C.

AND: INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS
AND HELPERS, LOCAL #191

(hereinafter referred to as the "Unions")

DATE AND REFERENCE

This Agreement shall be dated for reference April 1st, 2006 and named for reference the "WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION (RAMSAY MACHINE WORKS LTD.) - MACHINISTS, FITTERS AND HELPERS, LOCAL #3, C.L.C. AND INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LOCAL #191 AGREEMENT".

WHEREAS it is the purpose of this Agreement to stabilize the industry, elevate the trade, and to promote peace and harmony between the employer and employee, and to facilitate the peaceful adjustment of all disputes and grievances, to prevent strikes and lockouts, waste, expense, and avoidable and unnecessary delays.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereto mutually agree as follows:

ARTICLE 1 - RECOGNITION

- 1.01 **The Company recognizes the Unions as the sole bargaining agencies for its employees, as described in the certification issued by the Labour Relations Code of the Province of British Columbia.**
- 1.02 **UNION ACCESS TO PLANT - Representatives of the Unions will have access to the Company's premises by obtaining the permission of the Company's management.**

ARTICLE 2 - DEFINITION OF EMPLOYEE

- 2.01 The term "Employee" as used in and for the purpose of this Agreement shall include those employees described in the certificate issued by the Labour Relations Code of British Columbia except and excluding foremen, office and sales staff and those having authority to hire or discharge employees.
- 2.02 (a) It is agreed that any present employee, who, at the date of the signing of this Agreement, is a member of either Union, will, as a condition of continued employment, maintain membership in the appropriate Union.
- (b) All new employees after the date of this Agreement will, as a condition of continued employment, apply to join the appropriate Union before completing sixty (60) days employment, and as a condition of continued employment maintain membership in the appropriate Union.
- (c) When the Company requires new employees the Union(s) shall be notified at least twenty-four (24) hours in advance and offered the opportunity to refer suitable applicants for the Company's consideration. When the Company hires a new employee, the Union(s) shall be notified and the employee must report to the Union(s) for a clearance slip.
- (d) The Unions will be notified by fax of all new hires, recalls and lay-offs.

ARTICLE 3 - MANAGEMENT

- 3.01 Management rights exercised by the Company, unless expressly limited by this Agreement, are reserved to and are vested exclusively in the Company. Provided, however, that this Article will not be used in a discriminatory manner against any employee or group of employees.
- 3.02 COMPANY RULES & REGULATIONS – The Company reserves the right to create, supplement and alter from time to time reasonable rules and regulations to be observed by the employees, said regulations and rules not to be inconsistent with the provisions of this Agreement. Copies of new rules and regulations will be provided to the employees and a copy sent to the union(s) prior to them coming into effect.

ARTICLE 4 - HOURS OF WORK AND OVERTIME

- 4.01 DAY SHIFT - The standard day shift will consist of eight (8) hours with a designated thirty (30) minute lunch period. The shift will normally commence at 7:30 a.m. to 4:00 p.m.
- 4.02 AFTERNOON SHIFT - The standard second shift will consist of seven and one-half (7 1/2) hours' work with a designated thirty (30) minute lunch period. This shift will normally commence at 4:00 p.m. to 12:00 a.m. A premium of 6.7% will be paid for all hours worked.
- 4.03 NIGHT SHIFT - The standard third shift will consist of seven (7) hours work with a designated thirty (30) minute lunch period. This shift will normally commence at 12:00 a.m. to 7:30 a.m. A premium of 14.3% will be paid for all hours worked.

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- 4.04 CHANGE OF START AND STOP TIMES - The normal starting and/or stopping times may be varied by up to two (2) hours if required to meet specific job requirements. Further the starting and stopping times may be varied by more than two (2) hours when it is necessary to move material from the Plant.
- 4.05 REGULAR WEEK - Five (5) shifts per week will constitute a regular week's work on all shifts.
- 4.06 OVERTIME - Time worked in excess of standard hours on a regular work day shall be considered overtime and shall be paid at time and one-half for the first three hours and at double time thereafter. All overtime hours in excess of eight (8) in any calendar week shall be paid at double time.
- 4.07 On April 1st and October 1st of each year, employees will opt in writing to either bank their overtime for the next six (6) months or to be paid out with their regular pay. If notice is not given to the Company, overtime will not be banked.

Banked overtime may be taken as paid time-off at a time mutually agreed between the employer and the employee.

Banked overtime not taken as paid time-off will be paid out at the earlier of:

- 1) The employee decides to no longer bank the overtime: or
 - 2) April 1st and October 1st of each year.
- 4.08 Double rate shall be paid for all overtime work performed on Saturdays, Sundays and General Holidays.
- 4.09 OVERTIME MEALS
- (a) Employees will bring their own meals, if advised prior to the end of their normal shift that overtime will be worked after their normal shift the following day.
 - (b) Employees notified any time during their normal shift that overtime will be worked, which exceeds two (2) hours following completion of their shift will be given one-half (1/2) hour on Company time to eat the meal and will be given fifteen dollars (\$15.00) meal money.
- 4.10 WORK BEFORE REGULAR SHIFT - All work performed before regular shift hours will be paid for at overtime rates.
- 4.11 REST BETWEEN SHIFTS - It is intended that every employee shall have eight (8) hours rest between shifts. In the event that an employee is recalled to work before eight (8) full hours elapse, he/she shall be considered as still working on his previous shift and shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work of his/her own accord until eight (8) full hours have elapsed.

Employees, who have worked their regular shift and work overtime to the extent of not getting an eight (8) hours break, will not lose the time from their next regular shift to make up the eight (8) hour break.

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- 4.12 **REPORTING PAY** - Unless otherwise notified, employees who report for their regular shifts shall receive a minimum of four (4) hours pay unless reasons beyond the control of the Company, such as power breakdown, inclement weather, etc., when employees may be sent home and paid only for the actual time worked, with a minimum of two (2) hours.
- 4.13 **MAKE-UP TIME** - Employees requiring time off work to attend to personal business may be allowed to make the time up by working before and/or after their shift for a maximum of two (2) hours per day in the same week as the time-off is taken.

ARTICLE 5 - GRIEVANCE AND ARBITRATION PROCEDURE

5.01 "Grievance" means any difference between the persons bound by this Agreement concerning its interpretation, application, operation, or any alleged violation.

5.02 Grievance shall be settled as follows:

STEP 1 - Between the Shop Steward(s) of the Union or Unions concerned and the first level of supervision as designated by the Company.

STEP 2 - Between the Business Agent(s) of the Union or Unions concerned and the second level of supervision as designated by the Company.

STEP 3 - Between the Business Agent(s) and the senior management representative, or in his/her absence, his/her appointee.

Group grievances will start at Step 2. Policy and discharge grievances will start at Step 3.

5.03 **ARBITRATION**

- (a) The Party desiring arbitration, shall appoint a member for the board, and shall notify the other Party, in writing, of its appointment, and particulars of the matter in dispute.
- (b) The Party receiving the notice shall within five (5) days thereafter appoint a member for the board and notify the other Party of its appointment.
- (c) The two (2) arbitrators so appointed shall confer to select a third person to be Chairman, and failing for five (5) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Minister of Labour to appoint such a third person.
- (d) The Arbitration Board shall sit, hear the Parties, settle the term of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided that the time may be extended by agreement of the Parties.
- (e) The Board shall deliver its award to the Parties and the award of the Board shall be final, conclusive and binding upon the Unions, the Company, and the employees, and they shall implement it forthwith.
- (f) Each Party shall pay its own cost and expense of arbitration, the remuneration of its appointee to the Board, and one-half of the compensation and expenses of the Chairman and stenographic and other expenses of the Arbitration Board.

- 5.04 Employees being disciplined shall have the right to have a Shop Steward present when the discipline is issued. If no Shop Steward is available the employee may select another employee to be with him when the discipline is issued.
- 5.05 DISCIPLINARY LETTERS - Copies of all letters of discipline shall be sent to the appropriate Union.

ARTICLE 6 - VACATIONS WITH PAY

- 6.01 Employees will receive vacations and be paid for the vacation in accordance with the following schedule:

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION PERIOD</u>	<u>VACATION PAY</u>	<u>MINIMUM # PAY PERIODS</u>
Less than 1 year	1 day for each major fraction of month worked (Max. 10 working days)	4%	
1 year but less than 4 years	2 weeks	4%	24
4 years but less than 15 years	3 weeks	6%	96
Over 15 years	4 weeks	8%	360

- 6.02 DEFINITIONS - Vacation pay percentage will apply to gross earnings.

Pay periods will include only those pay periods in which the employee has worked five (5) or more days. Time on WCB will count as time worked for the purpose of accumulating vacation qualifying periods.

Employees with less than twenty-four pay-periods will receive their vacation pay on their pay cheque. All other employees will have their vacation pay accrued.

- 6.03 The employer shall post a vacation schedule sheet no later than the last day of February each year and the employees shall post their desired vacation period on the schedule no later than March 31st for the vacation year May 1st to April 30th. On or after April 1st the employer shall confirm vacation periods on an individual basis by seniority but subject to the operating needs of the Company. Such confirmations will be completed by April 30th.

Failure of an employee to choose a vacation period prior to March 31st shall result in the employee being given the choice of vacation openings existing after May 1st. Such openings shall be granted on a first come, first serve basis subject to the operating needs of the company.

ARTICLE 7 - GENERAL HOLIDAYS

7.01 The following General Holidays, or the days which are designated for them shall be observed and employees who have completed their probationary period and otherwise qualify will be paid for these days at their regular straight time rates.

1	New Year's Day	7	Thanksgiving Day
2	Good Friday	8	Remembrance Day
3	Victoria Day	9	Christmas Day
4	Dominion Day	10	Boxing Day
5	B.C. Day	11	Floating Holiday
6	Labour Day		

The Floating Holiday may be taken at a convenient time.

7.02 Employees must work the full working day prior to and the full working day following all General Holidays in order to receive payment unless other arrangements were previously agreed upon.

7.03 When General Holidays fall on Saturday or Sunday they will be celebrated on Monday, and when they fall on consecutive Saturday and Sunday or consecutive Sunday and Monday, they will be celebrated on the following Monday and Tuesday.

7.04 Employees not actively employed because of:

- Lay-off
- Unpaid leave of absence
- Illness > and not eligible for W.C.B. or Weekly Indemnity
- Injury > payments for the involved General Holiday(s)

and who work some time within the fourteen (14) day period prior to, or the fourteen (14) day period following the General Holiday(s) in question, will qualify for General Holiday pay for such General Holiday(s).

ARTICLE 8 - COMPANY SERVICE

8.01 PROBATIONARY PERIOD – No employee will attain seniority standing until having completed sixty (60) days work within a period of six (6) months. If successfully completed, the new employee's seniority will date back to the first date of hiring within the six (6) month period. Employees who have not yet attained seniority will not be subject to the seniority provisions of the Agreement.

8.02 COMPANY SERVICE WILL BE TERMINATED BY:

- (a) Employees quitting of their own accord.
- (b) Employees discharged for cause and who are not reinstated by the Company under the Grievance Procedure of this Agreement.
- (c) Employees who are out of the service of the Company for an unbroken period of:
 - Employees with less than 12 months service 6 months
 - Employees with over 12 months service 12 months

8.03 SERVICE CREDIT - Employees who left the employ of the Company to enter the Armed Services who were subsequently reinstated in their jobs with the Company in accordance with the terms of the "Reinstatement in Civil Employment Act 1946" of the Dominion of Canada, shall receive full credit for the time spent in the Armed Services as though that time were spent in the employ of the Company.

ARTICLE 9 - WAGES

9.01 Wages and classifications shall be those agreed upon and set out in Schedule "A" attached hereto and forming part of this Agreement.

ARTICLE 10 - GENERAL PROVISIONS

10.01 Any employee suffering injury while in the employ of the Company must report immediately to that person indicated by the management to administer First-Aid and report to the office, all particulars of such accident(s).

10.02 A notice board will be provided for the posting of all official Union notices acceptable to management.

10.03 WASHROOM - Adequate washroom facilities will be provided by the Company and kept in a sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.

10.04 SHOP STEWARDS - The employees employed in this plant will elect one (1) or two (2) Union members who will be known as Shop Stewards or the Shop Committee, and the same will be recognized by the Company.

10.05 TRAVEL PROVISIONS - When an employee is required to work at points outside the City of Victoria, which require him/her to be absent from his/her home, he/she shall receive eight (8) hours' pay in each twenty-four (24) hours of travelling time. Fare, reasonable accommodation and board will be supplied.

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- 10.06 In going to work outside the limits of the Capital Regional District and returning daily, employees shall be at such District limits at the starting time and allowed time to return to such District limits at the close of the work day. They shall be paid all fares to and from the District limits to the place of work or alternatively be supplied with transportation by the Company. It is understood that the Company may require that they shall report to and finish work at the place detailed by the Foreman or Supervisor at the regular starting and stopping time.
- 10.07 When the Company's operations include working within the limits of Greater Victoria (Victoria, Saanich, Esquimalt, Oak Bay) shop rates shall prevail on repair and overhaul jobs and the re-setting of machines and engines. However, where this work is on sites where Building Trade Unions are involved construction rates will apply.
- 10.08 EMPLOYEE CARS - An employee required to use his/her car to provide transportation for himself/herself or others on Company time, shall be compensated for the use of his/her car at the rate of thirty-five cents (.35) per mile or twenty-one cents (.21) per kilometre travelled.
- 10.09 GLOVES - On a replacement basis, the Company will supply gloves to Welders and Burners up to a maximum of two (2) pairs per year (i.e., one (1) pair each six (6) months). These are to remain the property of the Company. Additional gloves will be provided by the Company if the Foreman and Shop Steward mutually agree that circumstances warrant same.
- 10.10 BEREAVEMENT PAY - If a death occurs in the immediate family of an employee who has completed his/her probationary period and who is at work, the Company will grant paid leaves of absence as follows:
- 3 days if employee attends funeral of parents, parents-in-law, spouse,
 - 1 day if employee does not attend funeral children, sister or brother.
- 10.11 JURY DUTY - If an employee who has completed his/her probationary period is summoned or subpoenaed for jury selection or for jury duty, the Company will grant the employee leave of absence with pay, which will be the difference between his/her regular pay and the monies received for jury duty.
- On any day when an employee is called but not chosen for duty he/she must return to work, if practicable, for the balance of the shift. He/she must supply the Company with a statement of time of report and release when not chosen for duty and an official statement of payment for duty.
- 10.12 MOONLIGHTING - The Company and the Unions agree that the practice commonly known as "moonlighting" is wrong in principle. The term "moonlighting" for the purpose of this clause shall refer to a full-time employee who regularly makes a practice of working for another employer.
- (a) When this practice effects or conflicts with the Company's business or the employee's ability to perform his/her job, it shall be cause for reprimand or dismissal.
 - (b) When this practice affects or conflicts with the Union's policy, the Company agrees to cooperate with the Unions in reprimand or dismissal.

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- 10.13 The Company will recover from an Apprentice only the amount of the Income Replacement Allowance.
 - 10.14 DIRTY MONEY - Rate and one-quarter will be paid to Welders when welding on galvanized material.
 - 10.15 COFFEE BREAK - A ten (10) minute coffee break shall be observed every four (4) hour working shift.
 - 10.16 COVERALLS AND OVERALLS - The Company shall provide and maintain coveralls at no cost to the employee.
 - 10.17 PAY DAYS - Pay days shall be every second Friday.
 - 10.18 TOOL ALLOWANCE - The Company agrees to replace employee's hand tools lost on a job outside the shop up to a value of fifty (\$50.00) per year. The Company further agrees to replace or repair employee's hand tools damaged during the performance of work for the Company provided the tool is not under warranty and the broken or damaged tool is turned into the Company. Employees are responsible for providing the Company with a list of tools, including brand names that they have on the job. Only tools on this list will be replaced or repaired.

ARTICLE 11 - MEDICAL, INSURANCE AND DENTAL

- 11.01 The Company shall contribute two dollars and ten cents per hour (\$2.10) on behalf of the Machinists and two dollars and thirteen cents (\$2.13) on behalf of the Boilermakers per hour worked to the Union's Health & Welfare Plans for the provision of medical insurance and dental coverage for employees.
- 11.02 Health & Welfare contributions shall be remitted to the Union(s) no later than the fifteenth of the month following that in which they were earned. The Health & Welfare reports showing the hours being contributed for will be faxed to the Union(s) on or before the fifteenth of the month.

ARTICLE 12 - APPRENTICES

12.01 If Apprentices are indentured they will be paid in accordance with the following schedule.

PERCENTAGE OF JOURNEYMAN RATE

<u>PERIOD OF APPRENTICESHIP</u>	<u>4 YEAR</u>	<u>5 YEAR</u>
1st 6 months	50%	50%
2nd 6 months	55%	55%
3rd 6 months	60%	60%
4th 6 months	65%	65%
5th 6 months	70%	70%
6th 6 months	75%	75%
7th 6 months	85%	80%
8th 6 months	95%	85%
9th 6 months		90%
10th 6 months		95%

When Apprentices attend training school, the Company will continue to pay the Apprentice his/her regular wages and recover the Canada Manpower Grant allocated to Apprentices.

ARTICLE 13 - AUTOMATION

- 13.01 (a) If possible the Company will inform the Unions three (3) months prior to the introduction of new equipment which would effect the employment of a substantial number of the employees.
- (b) The Company will cooperate with the appropriate government departments and the Unions in matters regarding training or re-training of employees affected by the introduction of new equipment.

ARTICLE 14 - SENIORITY

14.01 Skill and ability being equal, all employees will be laid-off, rehired and promoted based on their company seniority within their classification. In order to lay-off or rehire anyone out of seniority the difference in skill and ability must be distinct. Prior to laying off or rehiring out of seniority the Company will discuss the matter with a Union representative.

When a fabricator will be doing more than three continuous days production welding and welders are on layoff a welder will be recalled to do the welding and vice versa. Where machinist will be doing more than three continuous days millwright work and millwrights are on layoff a millwright will be recalled and vice versa.

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- 14.02 RECALL-BY-PASS – When employees are laid-off due to lack of work, seniority shall be maintained for the applicable period set out in Article 8.02 providing work is not available. An employee with seniority standing, when recalled for work, shall have the right to compare the length of work involved with his present employment to decide on a by-pass. If he elects a by-pass for his first recall he shall lose his seniority if he does not come in on the next call. While laid-off employees may be offered work in the interim, there shall be forty-five (45) calendar days between the first and second recall when compulsion is invoked. (Sickness confirmed by a doctor will not be counted as a by-pass). Loss of seniority in these cases will be subject to review of the circumstances by the Parties to this Agreement, with the power to re-establish the employee's seniority rights after such consideration.
- 14.03 SENIORITY LISTS – When requested by the Union the employer will prepare and send to the Union(s) a new seniority list showing the various classifications and the seniority of each employee in those classifications.
- 14.04 LEAVES OF ABSENCE – No leave of absence shall be granted unless the Company and the Union agree.

ARTICLE 15 - DURATION OF AGREEMENT

- 15.01 This Agreement shall be for the period from and including April 1st, 2006 to and including March 31st, 2009 and from year to year thereafter subject to the right of either Party to the Agreement, within four (4) months immediately preceding the date of the expiry of this Agreement require the other Party to the Agreement to commence collective bargaining.

Should either Party give written notice aforesaid, this Agreement shall thereafter continue in full force and effect and neither Party shall make any change in the terms of the said Agreement (or increase or decrease the rate of pay of any employee for whom collective bargaining is being conducted or alter any other term or condition of employment) until:

1. Either Party gives notice of cancellation of the Agreement.
2. The Parties shall conclude a renewal or revision of this Agreement or enter into a new Collective Agreement.

A joint committee will be structured which shall be charged with seeking mutually agreeable ways and means of improving the company's competitiveness and productivity.

RAMSAY MACHINE WORKS LTD

APPENDIX "A"

WAGE SCHEDULE

CLASSIFICATIONS

	<u>1 Apr. 06</u>	<u>1 April 07</u>	<u>1 April 08</u>
Journeyman (Fabricators, Millwrights, Machinists, Welders)	25.63	26.27	26.93
Specialist	\$ 23.23	\$23.81	\$24.41
Helper	\$ 22.58	\$23.14	\$23.72
Labourers (Hired Prior to April 1/03)	\$15.54	\$15.93	\$16.33
Labourers (55% of J/M rate)	\$ 14.10	\$14.45	\$14.81

For the Machinist Union two dollars and twenty-one cents (\$2.21) per hour and for the Boilermakers Union two dollars and twenty-four cents (\$2.24) per hour will be remitted by the Company to the Union's respective Pension Plans in care of D.A. Townley & Associates by the fifteenth (15th) of the month following the month in which the payments are earned. Pension contributions for labourers shall be one dollar and eighty-three cents (\$1.83) per hour for those hired prior to April 1, 2003 and one dollar and seventy-seven cents (\$1.77) per hour for those hired after April 1, 2003 regardless of which Union they belong to.

Pension Contributions will be at 1 1/2X or 2X, whichever is applicable when working overtime.

When Labourers are hired they will alternate which Union they join.

DATED AT Victoria, B.C. this _____ day of _____, 2006

MACHINISTS, FITTERS & HELPERS UNION,
LOCAL NO.3, C.L.C.

RAMSAY MACHINE WORKS LTD.

THE INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS & HELPERS,
LOCAL NO. 191

WESTERN EMPLOYERS LABOUR
RELATIONS ASSOCIATION

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