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Introduction to Agreement

Vision Statement

The parties to this Agreement believe that the Company and its employees want the opportunity to achieve and maintain success by joint effort in a competitive global aerospace industry. By creating an atmosphere of trust and respect through education and training, open communications, commitment, and problem solving, we will prosper economically and succeed in our goals.

Human Rights

The Company and the Union agree that no individual will be discriminated against, in accordance with prevailing Human Rights legislation.

Article 1 Purpose

Preamble

This Agreement has been entered into this, July 30, 2013 by and between Avcorp Industries Inc., hereinafter referred to as the "Company", and the International Association of Machinists and Aerospace Workers – Northwest District 250, hereinafter referred to as the "Union".

Flowcharts

Flowcharts used in this Collective Agreement shall be used as interpretive guides for purposes of illustration only. They shall not be used to supercede the language of the Collective Agreement. This clause shall not apply to the Continuation of Benefits chart in Article 11.

1.1 General Purpose

The general purpose of this Agreement is to record orderly collective bargaining between the Company and its employees represented by the Union, to secure prompt and equitable disposition of grievances, and to maintain mutually satisfactory hours, wages, and working conditions.

It is in the mutual interest of the parties to provide for the operation of the facility, which will further, to the fullest extent possible, the safety and physical welfare of the employees, continuous improvement in quality, production and cost reduction, cleanliness of the facility and protection and respect of property. It is recognized by this Agreement to be the objective of the Company, the Union and the employees to cooperate fully, individually and collectively for the advancement of these conditions.

1.2 Waiver or Adjustment of Contract Provisions

The Company and the Union recognize the desirability to obtain and maintain contracts with the resultant contribution to employment and job creation for Union members. It is therefore recognized that in certain circumstances it may be necessary to waive or adjust provisions of the Collective Agreement in order to obtain and/or maintain such contracts.

In those circumstances where the Company can demonstrate the desirability for certain modifications to the Agreement and / or employment requirements, in order to obtain and / or maintain contracts, the Company will meet with the Union to review the subject in detail. Such meeting will include a review of those items identified by the Company.

The Company and the Union agree that it is incumbent upon both parties to endeavor to work out the most acceptable arrangement to cover the work requirement.

The agreement arrived at will be in writing, signed by the Company and the Union, and may be implemented upon mutual agreement of the majority of the affected employees.

1.3 Definition of Supervisor

Where the term Supervisor is used in this Agreement, it will be interpreted as non-union or management staff employed in a capacity of directing work or employees.

1.4 Gender References

Wherever the masculine form is used in this Agreement, it shall be construed as also the feminine had been used. The remainder of the sentence shall be construed as if the grammatical changes required had been made.

1.5 Strike and Lockouts

During the term of this Agreement the parties hereto agree that there will be no strikes or lockouts as defined under the British Columbia Labour Relations Code.

1.6 Government Legislation

If there is legislation passed that makes any Article of this Agreement inoperable, or in conflict with another Article, the remainder of the Agreement shall remain in force.

1.7 Successor Rights

If the Company or a substantial part of the Company is sold, leased, transferred or otherwise disposed of, the Purchaser, lessee or transferee is bound by all the Articles to the same extent as if it were signed by him.

Article 2 Management's Rights

2.1 Operation and Direction of the Workforce

The management of the operation and direction of the workforce is vested exclusively in the Company, providing this will not be used to contravene any of the provisions of this Agreement. It is understood that any matter not specifically set forth herein remains within the reserved rights of the Company.

2.2 Rules and Regulations

The Company shall have the right to establish, maintain and enforce rules and regulations to assure orderly plant operations. It is understood that such rules and regulations shall not be inconsistent with the provisions of the Agreement, and that they shall be freely available for all employees to review upon request. A copy of the Company Rules and Regulations shall also be furnished to the Union.

The Company agrees to provide sixty (60) calendar day notice of any changes that impact employees and will engage in good faith discussions with the Union on such matters.

2.3 Management and Staff Performing Work

Management personnel shall not engage in or be utilized in any way which may be construed as performing work which is normally accomplished by personnel covered by the Agreement. It is understood that Management retains the right to instruct Bargaining Unit personnel in methods of performing work procedures, on a recurrent training basis or participate in the development and installation of new procedures until such time the procedures are established.

It is understood and agreed that accountability for validation of new tooling, new product design and subsequent design changes, rests with the Engineering staff. This process, led by Engineering staff, requires a high degree of collaboration between shop floor technicians and the Engineering Departments. The parties will work co-operatively in troubleshooting and problem-solving on new products as below:

- Validation of new tooling
- New product related designs and subsequent design changes
- Tool designs
- NC programs
- CMM programs
- First article process

This clause is not intended to have Engineering staff replace Bargaining Unit employees in operation of equipment. Rather, it is agreed that Engineering and Production employees shall work together in the operation of equipment to resolve issues during design validation to develop efficient production processes.

Article 3 Union Representation

3.1 Recognition and Number of Shop Stewards

The Union shall designate and the Company shall recognize Shop Stewards and the Senior Shop Steward. The number of Shop Stewards shall be kept to a ratio of one (1) to thirty-five (35) employees, with a minimum of twelve (12) Shop Stewards. The Company shall be kept informed of the names of each Shop Steward.

3.2 Investigation of Grievances by Stewards

The Union acknowledges that the Shop Stewards, Shop Committee, and Union officials will continue to perform their regular duties on behalf of the Company, and that they shall report to their immediate Supervisor or Chargehand and obtain approval before leaving their jobs for the purpose of investigating a grievance or to attend a meeting scheduled by the Company.

Such approval shall not be unreasonably withheld.

Upon entering a department other than his own, the Shop Steward will inform that Supervisor or Chargehand of the nature of the grievance he is investigating.

If requested by the Shop Steward the aggrieved employee will be released for the purpose of discussing his grievance.

Shop Stewards will labour on Union business when leaving the job.

Shop Stewards and aggrieved employees will be paid at their rate for time during their scheduled work hours for investigation of grievances on the Company premises.

Union Representatives time off, off the premises, will be Union paid unless mutually agreed to by the parties. For time spent at Collective Bargaining negotiations, the Company shall pay fifty (50%) percent of the wage loss for a maximum of three (3) employees directly involved in those negotiations.

3.3 Senior Shop Steward

The Senior Shop Steward shall have sufficient time on an as required basis to attend to Union business. Approval for this time off shall not be withheld by the Company. The Senior Shop Steward shall be on straight day shift.

3.4 Local Lodge Business

Local Lodge business will be conducted on the employee's own time and off Company premises unless mutually agreed to by the parties.

Article 4 Union Recognition

4.1 Union as Sole Bargaining Agent

The Company recognizes the Union to be the sole bargaining agent for all hourly paid employees of Avcorp Industries Inc., at 10025 River Way, Delta, B.C. or any other address in British Columbia at which the Company operates a manufacturing facility under that name.

4.2 Deduction of Dues and Special Assessments

During the term of this Agreement, the Company will deduct monthly Union membership dues and special assessments from the wages of each employee as designated by the District Lodge in writing. It is agreed that this deduction will commence from the first day of employment. The Company shall remit to the Financial Secretary of the District Lodge a total of all amounts so deducted by the fifteenth (15th) of the following month. The Company shall not charge a fee for this procedure. The Company will at the same time forward to the Financial Secretary of the District Lodge a list of all employees from whose wages such deductions have been made. Such list shall be provided both as a paper copy and in digital format. The Company agrees to change the amount of monthly Union dues to be deducted upon receipt of notification in writing from the Union that such change has been authorized by a majority vote of the Union.

4.3 Deductions from Employees Off Sick

No Union dues will be deducted from an employee who is off sick for a period in excess of one (1) month. The deduction of dues is to recommence on employee's return to work.

4.4 Employees to become Members

All employees covered by this Agreement shall become members of the Union within thirty (30) days of hire. Employees must remain members of the Union in good standing as a condition of continued employment.

4.5 Introduction of New Employees

New employees shall be introduced to their department Shop Steward when reporting to commence work.

4.6 Union Notice Boards

A Union notice board will be provided. Any notices posted in the plant will not be illegal, abusive, libelous or of a defamatory nature or that could be contrary to good customer relations.

4.7 EI Rebate

Where the Employer receives reduced EI rates, the parties agree to a fifty-fifty (50-50) sharing arrangement of the rebate. The Union's share of the rebate will be allocated towards funding of one-half of the Employee Assistance Program and the remainder of the Union's share of the rebate is to be made payable to the Local Lodge.

Article 5 Seniority

5.1 Probationary Employee

A new employee must successfully complete a probationary period of one hundred and twenty (120) days worked, exclusive of overtime.

This probationary period may be extended by mutual agreement between the Company and the Senior Shop Steward or his designate.

After completing the probationary period an employee shall be regarded as a permanent employee and his seniority shall be calculated from the date of hire.

If during the probationary period, it is recommended by the employee's Manager and Chargehand, the employee's wage rate shall be reviewed and a one-time wage rate increase may be made. All decisions with respect to wage rate increases rest with management. Adjustments shall not be retroactive.

5.2 Company Seniority

Company seniority for all employees shall be the length of service with the Company and shall govern the following:

- a) Vacation entitlement.
- b) Benefit entitlement
- c) Severance entitlement
- d) Any other matter mutually agreed between the parties.

In the event that two (2) or more employees commence work on the same day, their seniority placement shall be determined by random selection carried out with a Shop Steward present.

5.3 Classification Seniority

Except as otherwise provided in this Agreement:

Classification seniority for all employees shall commence from the date of entry into the classification as outlined in Article 6 and shall not be transferable from one classification to another; and classification seniority earned in a previous classification may be used for bumping purposes in the event of a layoff.

Classification seniority shall govern as follows:

- a) Retention as a result of a layoff.
- b) Recall following layoff.
- c) Bumping rights.
- d) Any other matters mutually agreed between the parties.

Classification seniority shall be cumulative for employees who return to a classification in which they have frozen seniority.

5.4 Employees In Same Classification With Same Seniority Date

In the event that more than one employee in a classification has the same seniority date, the employee with the longer Company service will appear first on the seniority list.

5.5 Employee Seniority In Special Circumstances

Where special circumstances warrant, an employee's seniority may be reviewed and established by agreement between the Company and the District Lodge.

5.6 Reclassification Seniority

When an employee is reclassified in accordance with the provisions of Article 7 from one classification to another as defined in Article 6 the employee shall continue to retain and accrue seniority in his previous classification for a period of sixty (60) days of actual work excluding overtime from the date of reclassification. However once this period has been completed the employee shall continue to retain but not accrue seniority in his previous classification.

5.7 Accrual Seniority In More Than One Classification

When an employee is displaced or laid off in accordance with the provisions of Article 9 and subsequently accepts work in another classification covered by this Agreement, he shall continue to accrue seniority in both classifications until such time as he is recalled to his previous classification. At that time the employee shall have the option of remaining in his present position or returning to his previous classification. The employee shall have five (5) calendar days to advise the Company in writing of his intent. If the employee chooses to return to his former classification he shall retain but not accrue seniority in the classification not chosen. If he chooses to remain in his present position the following shall apply:

- (a) Had he been in the position for less than a period of sixty (60) days of actual work excluding overtime, he shall continue to accrue seniority in his previous classification or until he will have a period of sixty (60) days of actual work excluding overtime in the new position. Once this period has been completed he shall retain but not accrue seniority in his previous classification.
- (b) Had he been in the position for a period of sixty (60) days of actual work excluding overtime or longer he shall retain but not accrue seniority in his previous classification.

5.8 Posting of Seniority Lists

The Company shall on or before February 1st and September 1st of each year post on its bulletin boards throughout the plant, seniority lists which shall reflect Company and Classification seniority as referred to in this Article.

Seniority lists shall remain posted on the bulletin boards and a copy of the lists will be forwarded to the Senior Shop Steward.

5.9 Complaints Regarding Seniority Lists

Employees, including those that may be on lay-off, shall have thirty (30) calendar days after the posting of such seniority lists in which to file a complaint, as per Article 13, in writing regarding any alleged omissions or errors.

5.10 Complaints Outside of Time Limits

If a seniority date change occurs and a complaint is not lodged within thirty (30) calendar days then no complaint may occur following the thirty (30) calendar day period.

5.11 Seniority Rights For Employees in Exempted Positions

Employees transferred to positions exempted from this Agreement shall retain seniority rights within the bargaining unit for a maximum of one hundred and eighty (180) calendar days. If the employee returns to the scope of the Agreement within this one hundred and eighty (180) calendar day period, he shall return to the highest automatic progression attained in his former classification provided said employee remits payment of Union dues for the period spent outside the scope of the Agreement.

5.12 Seniority Relating to Resignation or Discharge

Employees resigning from the service of the Company or discharged for just cause shall lose all seniority.

Article 6 Classifications

6.1 Classification of Employees

Each employee shall be classified in accordance with the general classifications set forth below and shall be paid the appropriate wage rate per Article 21.

It is understood that all employees as part of their regular duties can perform 5S related tasks. Employees may be required to assist with Kaizen-related tasks within the parameters of their own job classification.

It is further understood that all employees as part of their regular duties may be required to perform work area, product and process orientation.

6.2 a) Jig and Toolmaker Optics / Laser Tracker

An employee who satisfies all the requirements of the Jig and Toolmaker position (Article 6.2 (b)) with the additional capability of jig fabrication and assembly and erection using jig mastering techniques, utilizing optical tooling equipment or theodolites / laser tracker. Also includes use of tool and cutter equipment for surface grinding and jig preparation.

b) Jig and Toolmaker

One who possesses a B.C. or Interprovincial Journeyman designation as a Toolmaker or has demonstrated to the Company that he has sufficient experience, ability and competence to work directly from drawings and perform all operations in his trade without direction from others.

6.3 a) Machinist

One who has demonstrated to the Company that he has sufficient experience and ability in the setting up and operation of machine shop equipment both conventional and computer numerical controlled. Also includes use of tool and cutter equipment for sharpening of various cutters, drills, end mills, countersinks, saw blades and other cutting tools.

b) Journeyman Machinist

One who possesses a B.C. or Interprovincial Journeyman designation as a Machinist. Journeymen Machinists must assist in the training of apprentices.

6.4 a) Mechanic

One who has passed through recognized training and has demonstrated to the Company that he has sufficient experience and ability in carrying out machine, bench, hydraulics, assembly, finished work or other duties, and is competent to work directly from drawings and perform all operations of his trade. Includes Bench and Structural Assembler, Production Machine Operator (excluding machine shop production machines) and Process Line Operator (Chromic and Phosphoric Lines). Employees assigned to Robotic cell operation must be at the highest Mechanic level or Aircraft Structural Technician.

b) Aircraft Structural Technician

One who possesses a B.C. or Interprovincial Journeyman designation as an Aircraft Structural Technician and has satisfied the requirements of Article 8. Aircraft Structural Technicians must assist in the training of apprentices.

6.5 a) Inspector Technician

An employee who performs all the requirements of the Inspector (Article 6.5 (b)) classification and is qualified in one or more of the following capabilities:

Fluorescent penetrant inspection - level 2 mil-std-410
Ultrasonic inspection Level 2 NAS-410
CMM Qualifications Level 1

b) Inspector

One who has demonstrated to the Company that he has sufficient knowledge of process specifications, materials, specifications and blueprint reading, measurement /testing and recording requirements, manufacturing process audit techniques, in order to inspect in accordance with approved standards, all repaired, overhauled, or manufactured parts, components, and assemblies and / or audit of the related manufacturing processes and instron testing related to production coupon testing.

6.6 Electrician

One who possesses a B.C. or Inter-provincial Journeyman designation as an Electrician and has demonstrated to the Company his capabilities in the maintenance, installation, expansion, and / or upgrade of the plant's electrical facilities and plant equipment.

6.7 General Operations Support

Employees who can carry out any of the following functions:

1. General Labour
2. Janitorial Functions
3. Oiling / Dipping
4. Part and Tool transfer from workstation to workstation
5. Supplies pickup
6. General Woodworking
7. General Maintenance for the facility

The tasks numbered 1 to 5 covered by this classification can also be carried out by employee(s) in other classifications if so decided. Employees in this classification will not be restricted from using the appropriate tools to carry out their function efficiently.

6.8 a) Material Handler

One who has demonstrated to the Company that he has sufficient knowledge of material handling, receiving, inventory control, expediting, material tracking, partmarking, kitting, auditing and troubleshooting in a computerized environment. Ships, receives, stores and moves material using motorized and manual material handling equipment, hand tools and other equipment.

Assists in coordinating with various departments to expedite and complete production activities and the planning, preparing, issuing and controlling of material requirements and production schedules to avoid schedule delays.

b) Chargehand Material Handler

In addition to the duties of a Material Handler, the Chargehand Material Handler will be expected to participate in daily program co-ordination meetings as a team member with the Logistics Co-ordinator and Supervisor. Once daily goals, shortages and expedites are identified they will assure priority actions are undertaken in any and all functional material handling areas. They will demonstrate initiative and flexibility in fulfilling their role and work collaboratively across all functional areas of the Company providing support and hands on assistance as necessary.

6.9 Metal Bond / Composite Fabricator

One who has passed through recognized training and has demonstrated to the Company that he has sufficient experience and ability in general operations of the Company's composite and metal bond shops.

6.10 Aircraft Parts Painter

One who has passed through a recognized training program or has demonstrated to the Company that he has sufficient experience and ability in the preparation and painting of aircraft and associated components.

6.11 (a) Millwright

One who has demonstrated to the Company that he has sufficient experience and abilities in manufacturing support activities connected with the setup, installation and maintenance of production and related equipment, including waste treatment operations. This position provides a building mechanical maintenance capability.

(b) Journeyman Millwright

One who possesses a B.C. or Interprovincial Journeyman designation as a Millwright and who will be engaged in manufacturing support activities connected with the setup, installation and maintenance of production and related equipment, including waste treatment operations. This position provides a building mechanical maintenance capability.

6.12 Laboratory Technician

One who possesses a recognized post-secondary chemical or physical metallurgy diploma or degree. The individual shall be able to carry out all associated testing and other procedures in accordance with the approved standards. The Laboratory Technician must carry out all required functions without direct supervision.

GENERAL CATEGORIES WITHIN CLASSIFICATIONS: (Chargehand, Learner, Apprentice)

6.13 Chargehand

- Takes an active role in health and safety matters.
- Must have obtained the highest level within one of the classifications within the area.
- Will be the leading working member of the assigned area who organizes and assigns the work.

- Responsible for administration of employee time verification, shift rotations, and management authorized overtime.
- Provide on-the-job training and technical advice.
- Schedule work through work centers and make every effort within his control to ensure schedules are met.
- Ensure that clear employee and functional area performance expectations are communicated to employees.
- Mediate conflict resolution.
- Provide input to supervisors for employee evaluations.
- Lead by example.
- Make every effort within his control to ensure productivity in his assigned area.
- Make every effort within his control to ensure proper operational procedures and quality standards are adhered to.

6.14 Learner

Shall be an employee with less than three (3) years experience in the kind of work for which he is engaged. Learners shall progress through the Learner wage levels in their classification as per Article 21 subject to satisfactory work performance and shall accrue seniority in the classification into which they are hired.

Following twenty-six (26) weeks at the highest Learner wage level, they will then progress to the next rate in the classification.

6.15 Apprentice

B.C. Government Aircraft Structural Technician Apprentice and Machinist Apprentice: Shall be hired as per Article 8. They shall accrue seniority in the classification into which they are hired.

Article 7 Filling of Vacancies

7.1 Posting of Vacancies

All vacancies for positions to be filled shall be posted for a minimum of ten (10) calendar days and filled wherever possible by bargaining unit personnel. The posting shall reflect a closing date when consideration of qualified applicants will commence. All internal candidates on job postings shall receive a written response from the Company. If a decision as to the successful candidate has not been made within one (1) month of the closing of the posting where there is an internal applicant, or within three (3) months of the closing of the posting where there are no internal applicants and the Company still requires that the position be filled, then the position will be reposted.

7.2 Chargehand, Jig and Toolmaker Optics / Laser Tracker, Inspector Technician

It is agreed that for vacancies in the Chargehand position in Article 6.13, Jig and Toolmaker Optics / Laser Tracker in Article 6.2 (a) and / or Inspector Technician position as identified in Article 6.5 (a), the Company shall select the successful candidate from among the four (4) applicants holding the greatest classification seniority that meet the qualifications.

The Company shall appoint the successful candidate on the basis that he has the best skills, ability and experience to perform the functions of the position.

7.3 Selection Preference

It is agreed that where employees bid on vacancies in another classification or on apprenticeship opportunities, those with the greatest Company seniority shall be given preference where the employees bidding the position have demonstrated to the Company that they have the skills, ability and experience to perform the work required.

7.4 Observation Period

In accordance with this Article, where an employee fills a vacancy, an observation period of sixty (60) days of actual work excluding overtime will apply in order to give the employee an opportunity to assess the new position, and the Company the opportunity to assess or verify his skills, ability and experience to perform the work required.

If at any time during this observation period or at the end of the observation period, the Company determines that the employee does not possess the skills, ability and experience to perform the work required, or the employee determines that he wishes to return to his previous position, he shall be returned to his previous position and wage level.

7.5 Temporary Upgrades and Assignments

Nothing in Clause 7.5 shall be used in any way to circumvent the language in the previous four (4) clauses.

Temporary Assignments:

When there is a temporary increase in the plant workload, or when there is a temporary change from one sphere of work to another, or a temporary vacancy caused by vacation or long term absence (expected to be longer than five (5) working days) the Company shall be allowed to fill such vacancy by the temporary assignment of employees.

For emergency situations requiring temporary assignments of less than five (5) days, agreement must be reached with the Senior Shop Steward or his designate prior to the assignment being made.

Where temporary assignments are made in classifications where layoffs exist, the temporary assignment shall be to a maximum of three (3) calendar weeks.

Temporary Chargehand Upgrades:

When there exists a temporary vacancy in the Chargehand position of greater than five (5) working days the Company shall upgrade on a temporary basis the most qualified employee who is a TQ, or where there is no TQ in the area, the most qualified employee in the next highest level of classification. Temporary absences of five (5) working days or less may be filled at the Employer's discretion. Where the Employer temporarily upgrades an employee who is not at the top of their classification, the individual shall be paid at the top rate of their classification (i.e. Mechanic 1) in addition to the premium for the period of time they are upgraded.

Rules Regarding Temporary Assignments and Upgrades

For both these circumstances, the following rules shall apply:

- (a) The Senior Shop Steward or his designate will have every opportunity for input into the method the Company utilizes for ensuring such assignments are offered in the appropriate manner. The Company will provide a reasonable amount of notice of the proposed upgrade, and will engage in meaningful discussion prior to the appointment. When the proposed candidates are equally qualified, the most senior employee shall be appointed.
- (b) The estimated duration of the job requiring the temporary assignment or upgrade will be three (3) calendar months or less and will be explained to the Senior Shop Steward or designate.
- (c) The rate paid for the job will be either the lowest rate for the job or the employee's current wage rate, whichever is greater. (i.e. temporary assignment to Mechanic would be at Mechanic 4 rate).

- (d) The employee's seniority will not be affected by a Temporary Assignment or Upgrade, and seniority shall not be accumulated in a classification to which a temporary assignment has been made.

Article 8 Training

8.1 Joint Training Committee

The purpose of this Committee will be to oversee the training required for progression to trades qualifications. The Committee will be comprised of two (2) nominated members from the Union and two (2) from the Company.

Management is responsible for creating, modifying and approving TQ task list criteria and shall request relevant input from the Joint Training Committee.

All members of the Committee must endorse all applications to challenge the TQ exam. This Committee will be responsible for administering Apprentice Training. The Committee will be responsible for monitoring the approved TQ task list criteria and setting up the Avcorp log book for recording work experience.

8.2 Operation of Committee

Meetings of the Joint Training Committee shall be at a frequency decided upon by the Committee. The Committee members shall ensure proper minutes are taken and posted. No employees will suffer any loss of pay when attending to the duties of this Committee. All Committee time must be scanned to "apprentice training".

8.3 Posting of Apprenticeship Openings

Openings for any Apprenticeships shall be posted on the Company bulletin boards and appointments shall be made in accordance with Article 7. 3. Existing bargaining unit employees of Avcorp shall be given first preference for these positions, should they meet the required qualifications and successfully complete the government placement exams.

The Company shall make every effort to maintain present numbers of Apprentices by posting new positions when existing Apprentices complete their Apprenticeship and achieve Journeyman status.

Employees who successfully post into the Apprenticeship program shall have their current wage rate maintained until such time as their Apprentice wage rate exceeds the rate they were earning at the time of acceptance into the Apprenticeship program. The Joint Training Committee shall recommend which stage of the Apprenticeship training program an Apprentice shall enter dependent on his education and experience.

On-site training classes for Apprentices shall be conducted during normal dayshift work hours. This time shall be unpaid. Where an Apprentice desires and with the Agreement of his manager, an Apprentice may work additional hours to make up for the time spent in training.

8.4 Apprenticeship Probation Period

The Company and the Union both support the basic principle that employees should be offered opportunities to participate in a recognized Apprenticeship program. It is further acknowledged that a high degree of commitment is required by the employee who posts for a position as an Apprentice, and all such employees should be prepared to commit themselves to the full term of the Apprenticeship.

For employees who have already successfully completed a probationary period in another position, they shall be required to complete an additional sixty (60) working days, excluding overtime, observation period as an Apprentice. For newly hired employees in the Apprenticeship program a one hundred and twenty (120) working days, excluding overtime, probation period shall be required per Article 5.1.

Apprentices who wish to leave the Apprenticeship program after either the sixty (60) day observation period or one hundred and twenty (120) day probation period must post into another position when a posted position becomes available, or resign their employment. Normal posting procedures shall prevail.

Apprentices who do not pass either the on the job training or the schooling portion of any Apprentice year after one opportunity to repeat, no longer qualify for the Apprenticeship program. In such instances the employee may bump into any classification where he has previously held classification seniority at the last wage level the employee held in that classification or alternatively he may post into an available vacancy in accordance with Article 7 of this Agreement.

8.5 Banked Time for Apprentice Schooling

Upon request, registered Apprentices may be excluded from Article 16.7 banked overtime payout. For these employees, their banked overtime hours shall be accumulated and may be used to cover schooling time. The bank time amount will be limited to the amount of time required to attend school, and the Company agrees to pay out the amount in a fashion that provides the greatest benefit for the Apprentice. (ie. Bank time payout should not coincide with the two (2) week waiting period for EI eligibility).

8.6 TQ Certification for Existing Employees

a) Mechanics

In order to meet the requirements of Article 6.4 (b) the Company will provide opportunities for cross-training and challenge of TQ certification. Such cross-training will be made available to employees who are Mechanics at the date of ratification of this Collective Agreement, provided they achieve the required six (6) years experience in the trade. Cross-training shall be subject to operational requirements and capacity.

In order to be classified as an Aircraft Structural Technician, employees challenging the TQ exam must complete the approved task list and pass the practical examination. Completion of the task list may be for tasks completed at the Company and / or for previous experience as verified by outside companies.

Mechanics who do not participate in the cross-training program shall progress through the Mechanic classification levels in accordance with Article 21.

Employees who are Learner Mechanics at the date of ratification of this Collective Agreement, or who are hired from outside the Company as Learner Mechanics, will be encouraged to bid into and successfully complete the apprenticeship program.

Nothing in this Article shall be interpreted in such a way as to prevent employees who are Mechanics at the date of ratification from posting for an Apprenticeship position.

b) Machinists

Cross-training shall be offered to employees who are Machinists at the date of ratification of this Agreement, or who are hired from outside the Company as Machinists. Current eligible Machinists shall take priority over those hired from outside.

For current Machinists, cross-training opportunities shall commence, in order of classification seniority, within three (3) months of proving the required six (6) years experience in their trade. Cross-training shall be completed within twelve (12) months. For Machinists hired from outside, cross-training shall be subject to operational requirements and capacity.

c) Metal Bond / Composite Fabricator

Employees in the Metal Bond / Composite Fabricator classification as of the date of ratification shall be eligible for enrollment in the Journeyperson program provided they meet the hours of experience requirement of the existing program.

d) Painter

Employees in the Painter classification as of the date of ratification shall be eligible for enrollment in the Journeyperson program provided they meet the hours of experience requirement of the existing program.

e) Toolmaker

Employees in the Toolmaker classification as of the date of ratification shall be eligible for enrollment in the Journeyperson program provided they meet the hours of experience requirement of the existing program.

8.7 Mentor Training

The parties agree to the development of a mentor-training program during the life of this Collective Agreement. This program is to be developed by the Joint Training Committee and approved by Management.

Any employee who presents classroom-based training programs to other employees shall receive a premium of one dollar (\$1.00) per hour for management approved classroom hours.

Article 9 Layoff and Recall

9.1 Shutdowns

When for reasons beyond its control (power failure, natural disasters) or other emergency situations, the Company shuts down its' operations, the provision for notice of layoff outlined in Article 9.2 shall not apply. Should the shutdown occur during the course of a regular working shift, employees then at work will be given notice and paid straight time to the end of that shift. Employees coming on shift(s) if not forewarned shall be allowed two (2) hours pay at straight time rates. It is understood that the waiver of notice only applies in those cases where the Company has no resort to a legal remedy for compensation.

Employees scheduled for overtime shifts who have commenced work shall be paid at applicable overtime rates for hours worked and will be paid straight time for the balance of the first half of the scheduled shift at straight time rates. Employees who commence work on the second half of their scheduled shift shall be paid applicable overtime rates for actual hours worked, and shall be paid for the balance of their scheduled shift at straight time rates.

It is understood that employees instructed to remain on premises beyond the relevant emergency situation will be paid the applicable rate until they are released.

Employees reporting to work who are unable to start work and have not been forewarned shall be paid two (2) hours at straight time rates.

9.2 Layoff

- (a) When there is to be a layoff of permanent employees in a particular classification, employees with the least amount of classification seniority will be laid off first. Prior to this occurring any probationary employees in the classification where the layoff is to occur will have their employment terminated prior to the layoff of a permanent employee.

The Senior Shop Steward shall be advised prior to the issuing of any lay-off notices. Employees affected will be given as much advance notice as practicable but not less than five (5) working days or at the Employer's discretion, pay in lieu of these days.

The Employer at its discretion may perform a pre-layoff canvass to solicit names of employees that may want to take a lay off out of seniority. Upon taking a lay off out of seniority the employee may only return to work by way of a legitimate recall.

Employees may make a written request for a lay off out of seniority. In these cases it is at the Employer's discretion whether such request will or will not be approved.

- (b) Reductions in the Chargehand, Jig and Toolmaker / Laser Tracker or Inspector Technician positions will be by classification, by date of appointment with the exception of Mechanics who will be reduced by Assembly or Sheet Metal, by date of appointment.
- (c) Employees who are laid off in the last fifteen (15) days of the month shall have their medical, extended health and dental benefits covered to the end of the following month.

9.3 Bumping

An employee who holds seniority in a classification other than the one he is being laid off from, shall be allowed to exercise that seniority in order to bump the most junior employee in that classification.

The employee who is bumped shall be afforded all the rights under this Article, and shall be deemed to be laid off.

9.4 Accrual of Seniority While on Layoff

During a period of layoff an employee shall continue to accrue classification seniority for purposes other than the following:

- a) Pay progression
- b) Vacation entitlement accrual
- c) Sick Leave accrual
- d) R.R.S.P. contribution accrual

The above information must be contained in all layoff notices.

9.5 Contact Information For Employees On Layoff

- (a) An employee laid off shall at the time of layoff file his address with the Company and thereafter keep the Company informed of his current address by registered mail to the Human Resources Department within fourteen (14) days of the change of address.

Should the employee plan to be away from the address for more than seven (7) days, he shall advise the Human Resources Department of the duration of the absence and of a contact address and / or phone number.

Should the Company be unable to contact the employee at the permanent or temporary address held by the Human Resources Department within seven (7) days, he shall be deemed unavailable for that recall and the next appropriate individual may be recalled.

- (b) The employee who is not available for less than a ninety (90) calendar day recall shall remain on the seniority list for any subsequent recalls but shall not be entitled, on this occasion, to bump the junior employee recalled in his place.
- (c) Employees failing to respond to a recall that is ninety (90) calendar days or more in duration will result in the employee's records being closed.

This provision may be varied for special circumstances by way of mutual agreement between the Union and the Company.

The above information must be contained in all layoff notices.

9.6 Recall

On the occasion of an increase in personnel the Company will recall employees in order of classification seniority as work becomes available.

Chargehands, Jig and Toolmaker / Laser Tracker and Inspector Technicians shall be recalled by classification, by date of appointment with the exception of Mechanics, who will be recalled by Assembly or Sheet Metal, by date of appointment.

(a) Recall Period

Employees shall maintain their recall rights for a period as shown below:

Completed Probation	1 Year
3 years	1.5 Years
5 Years	2 Years
10 Years	3 Years
15 Years	4 Years
20 Years	5 Years
25 Years	6 Years
30 Years or over	7 Years

When an employee's recall rights expire, the Company shall terminate the employee's employment without cause and pay the employee severance pay as outlined below.

A laid off employee with recall rights may resign from employment and claim his/her severance pay either:

- i) at any time between thirteen (13) consecutive weeks and twenty (20) consecutive weeks following his/her layoff, or
- ii) subsequently, on each anniversary date of his / her layoff,

if he or she resigns in writing and waives all recall rights under the Collective Agreement.

Terminated employees, and employees who resign and are paid severance pay as described above, who are rehired by the Company within one (1) year of their termination or resignation date will have their previous Company seniority reinstated.

Any severance payable under this provision shall be paid in a single lump sum.

Severance is payable one time.

Severance pay shall be based on the following formula:

- after three (3) months consecutive employment, one (1) week's pay
- after one (1) completed year of service, two (2) week's pay
- after three (3) completed years of service, three (3) week's pay, plus one (1) week's pay for each additional completed year of employment to a maximum of fourteen (14) weeks.

Group Termination

Section 64 of the Employment Standards Act shall apply if fifty (50) or more employees are terminated by the Company within any two (2) month period.

9.7 Notice of Recall

Employees will be advised of recall by telephone. In the event that the employee cannot be personally contacted, then confirmation of such recall will be forwarded by registered mail to the last address filed by the employee with the Company with a copy to the Union representative.

The employee shall advise the Company of his intentions within forty-eight (48) hours after he has received notice to return. Employees will return to work within seven (7) calendar days of their reply unless otherwise agreed between the Company and the employee.

Article 10 Safety and Health

10.1 General

The Company agrees to establish and maintain healthy and safe working conditions throughout its buildings and will continue to provide protective clothing and supply all special equipment or devices where the need is established or recognized and will ensure compliance with the British Columbia Occupational Health and Safety Regulations.

The Company will provide:

- Annual Audiometric Testing
- Approved and appropriate Hearing Protection
- Hand and Eye Protection
- Barrier Creams
- First Aid Facilities
- Respiratory Protection
- Acid / Caustic Protection
- Rain Wear (outside workers)
- Parkas (made available to outside workers)
- Fall - Arresting Equipment
- Hard Hats
- Approved appropriate Safety Footwear for employees required to wear safety footwear (Maximum: \$100.00 per year)
- Prescription Safety Glasses if required (Maximum: \$250.00 per two years)

In the case where safety equipment is provided to employees, an employee wanting to replace an item must firstly present the used item to the Company.

Employees whose employment terminates with the Company will return any safety equipment or will have the value of such items deducted from his wages.

10.2 The Health and Safety Committee

The Health and Safety Committee shall be consistent with B.C. Occupational Health and Safety Regulation requirements.

The Committee will be made up of not less than three (3) representatives for the Union, one of which will be a qualified First Aid Attendant and not less than three (3) representatives for the Company.

The Union and the Company will also name one (1) alternate to attend should a regular representative not be available.

The Committee will be co-chaired by one (1) Company representative and one (1) Union representative.

The Committee will meet as required but not less frequently than once per month. The Committee will discuss any safety related issues. Minutes of the meetings will be published and distributed to the members and a copy will be provided to the appropriate Lodge Safety Representative.

The function of the Health and Safety Committee is to review and make recommendations as per the Occupational Health and Safety Regulations and monitor such Rules and Regulations once adopted.

10.3 Employees to Work in a Safe Manner

While at work, employees shall;

- (a) use such safety materials, equipment, devices and clothing as are intended for his protection and furnished to him by his Employer or as are prescribed;
- (b) follow prescribed procedures with respect to the safety and health of employees;
- (c) take all reasonable and necessary precautions to ensure the safety and health of
 - i) himself
 - ii) his fellow employees, and
 - iii) any person likely to be affected by the employee's acts or omissions;
- (d) comply with all instructions from the Employer concerning the safety and health of employees;
- (e) co-operate with any person(s) exercising a duty imposed under this Article or any safety and health regulation(s);
- (f) co-operate with the Safety Committee established for the work place.
- (g) report to his Employer any thing or circumstance in a work place that is likely to be hazardous to the safety or health of the employee, his fellow employees or other persons granted access to the work place by the Employer;
- (h) report in the manner prescribed every accident or other occurrence arising in the course of or in connection with his work that has caused injury to the employee or to any other person.

10.4 Hazardous Chemicals

If any employee has a particular and adverse reaction to continuous and consistent exposure at a work site to certain hazardous chemicals the Company shall temporarily move him to a position where he is not exposed, and the matter shall be investigated with the Duty to Accommodate policies.

10.5 First Aid Attendants

The Company shall ensure there are sufficient First Aid Attendants in accordance with WorkSafeBC regulations. When the Company requires additional First Aid Attendants, bargaining unit members that have expressed interest to the Human Resources Department and hold the required qualifications for these roles will be offered the role. The Company shall pay all costs associated with First Aid training.

Article 11 Leaves

11.1 Personal Leaves

Employees may request a leave without pay of up to one (1) year for personal reasons. In making an application under this Article, the employee will be required to set out the nature of the personal leave requested.

11.2 Compassionate and Special Leave

Employees will be granted a leave of absence with pay on compassionate grounds under the following circumstances:

- a) Up to a maximum of four (4) days with pay when there is a death, or, a verifiable, life-threatening illness or injury per specific member of the immediate family. For employees on weekend shift this shall be a maximum of three (3) days with pay (38.25 hours).
- b) One (1) additional day with pay shall be allowed for out of town travel in excess of 200 km. or two (2) additional days with pay for travel that is required outside of North America. For employees on weekend shift this shall be a maximum of one (1) additional day with eight and one-half (8.5) hours pay.
- c) Any other situation which the Supervisor considers to be legitimate compassionate grounds. Any such leave over three (3) days necessitated by distance of travel or granted for any other reason be considered by the Supervisor to be valid, shall either be without pay, or vacation credits may be used at the employee's request.
- d) For the purposes of this Article, immediate family means husband, wife, common law spouse, parents, children, sister, brother, grandparents, grandchildren, parent in law, or legal guardian of the employee. For brother-in-law and sister-in-law, a maximum of one (1) day of leave with pay shall be granted. For employees on weekend shift this shall be a maximum of one (1) day leave with eight and one-half (8.5) hours pay.

The Employer will require proof of attendance within thirty (30) days of the occurrence.

11.3 Maternity and Parental Leave

Leaves of this type will be in compliance with the Employment Standards Act of British Columbia.

11.4 Education Leave

An employee may request an education leave of up to one (1) year.

11.5 Jury or Subpoenaed Witness Leave

An employee required to perform jury duty, appear for jury selection or appear as a subpoenaed witness will be paid at his straight time rate. He shall turn over to the Company all monies received from the court for such service excluding payment for meals, lodging, transportation, and parking.

An employee is not entitled to pay under this provision in circumstances where the employee:

- (a) is called as witness against the Company or its interests; or
- (b) is called as a witness on his own behalf in an action in which he is a party; or
- (c) voluntarily seeks to testify as a witness; or
- (d) is a witness in a case arising from or related to his outside employment or outside business activities.

11.6 Continuation of Benefits and Seniority While Absent from Work

The Continuation of Benefits, Wages, RRSP and Seniority while on Leaves will be as set out in the summary chart contained in this Article.

11.7 Request Periods for Approval of Leaves

Employees making application for leaves under this Article must, request approval for such leaves by the time frame shown in Column 2 below prior to the first day that the leave is to take effect as set out below. Response by the Supervisor shall be by the time frame shown in Column 3 below.

Type of Leave	Request Period	Response By
Banked Time	- 48 Hours	48 Hours
Personal Leaves of 30+ Calendar Days	- 1 Month	1 Week
Personal Leaves of 3-29 Calendar Days and Greater than 2 Calendar Days	- 1 Week	48 Hours
Personal Leaves of 2 Calendar Days or Less	- 48 Hours	48 Hours

Compassionate or Special	-	As soon as reasonably possible	As soon as reasonably possible
Maternity, Parental	-	1 Month	1 Week
Education Leave	-	1 Month	1 Week
Court Leave	-	1 Week	48 Hours

For leaves of thirty (30) calendar days or less in duration the employee's Supervisor or designate shall review such requests for potential approval. In exceptional circumstances, when there is vacation carry over from previous years (after April 30 of the following year) employees shall be required to use outstanding vacation from previous years for short term leaves.

For leaves of more than thirty (30) calendar days in duration, the Senior Shop Steward and the Company Human Resources Representative will review such requests for potential approval.

11.8 Continuation of Payment of Union Dues While on Leaves

Employees on leaves of greater than thirty (30) days must make arrangements for the continued payment of Union dues.

11.9 Waiving of Time Frames for Leaves

The Employer may waive the time frames for requesting of leaves on an individual and without precedent basis.

11.10 Sick Leave

- a) Beginning the month following successful completion of the probationary period as set out in Article 5.1, sick leave will accumulate at the rate of seven point one (7.1) hours per month of service to a maximum of one hundred and seventy (170) hours.

For the purpose of this Article a "month of service" is defined as a month an employee has worked a minimum of one hundred and thirty-six (136) hours in the month. Authorized leaves (not including sick time) will be counted as time worked for the purpose of this Article.

- b) Employees at the time of illness who have greater than eighty-five (85) hours in their sick bank will receive one hundred percent (100%) payment for hours greater than eighty-five (85) hours.

An employee who achieves perfect or outstanding attendance of twenty-five and one-half (25.5) hours or less of sick leave in a calendar year, excluding approved leaves of less than eight (8) weeks in duration, and has one hundred and seventy (170) hours in their sick bank on December 31 of the calendar year, will receive forty (40) hours regular pay in January of the following calendar year. For the purpose of this clause, dentist and doctor appointments shall be deemed as approved leaves.

- c) Employees who become ill or continue to be ill and have eighty-five (85) hours or less in their sick bank will receive eighty percent (80%) payment for these sick hours.
- d) Following fourteen (14) calendar days of any illness, eligible employees shall be paid sick pay as per the Union Salary Continuation Plan.
- e) The employees will be responsible for one hundred percent (100%) of the cost of the Salary Continuation Plan premiums. The Company agrees to provide payroll deduction of these premiums, and further agrees that the Union will have full trusteeship of the Plan. Union trustees of the Plan are required to attend a minimum of three (3) trustee meetings per year. The Company will not unreasonably withhold approval to attend these meetings, subject to operational requirements.

Upon request, the Union agrees to provide the employer with confirmation respecting whether an employee has been approved or denied benefit coverage.

Employees who are not approved for coverage are expected to contact the Company each month. Failing such contact, the Company may contact the employee.

- f) Medical evidence will be required for any period of sickness which results in the employee being absent for twenty-six (26) hours or more. Additional service charges for such medical evidence incurred by the employee as a result of this request shall be reimbursed by the Company, based upon BC Medical Association guidelines. Medical receipts shall be paid within seven (7) working days.
- g) Justified requests for medical evidence to cover any period of illness may be requested by the Employer prior to return to work. Additional service charges for such medical evidence incurred by the employee as a result of this request shall be fully reimbursed by the Company, based upon BC Medical Association guidelines. Medical receipts shall be paid within seven (7) working days.

Justified requests may include the circumstances below:

Sick Leave taken in conjunction with other time off (weekend, statutory holiday, vacation);
pattern absences; prior request for leave.

11.11 Medical and Dental Appointments

When an employee leaves the workplace during working hours for a medical or dental appointment, the Company will pay him subject to the following:

- a) Each employee before leaving the workplace will fill in an excusable absence form which must be countersigned by his Supervisor or the Supervisor's assigned designate. The employee is expected to give as much notice as possible of the appointment; leave for the appointment will not be unreasonably withheld.

- b) Time off from work for the purpose of Doctor / Dentist appointments will be deducted from the employee's sick bank to the nearest point one (.1) hour.

11.12 Table: Leaves – Continuation of Benefits

Type of Leave	Possible Length	Classification Seniority	Company Seniority	Benefit Status	Pay Maintained	RSP Payments
STIP	15 Weeks	Maintained	Maintained	Maintained	Per Plan	No
*LTD	Per Plan (including STIP & EI)	Maintained	Maintained	2 years	Per Plan	No
Personal	Less than 30 Calendar Days	Maintained	Maintained	Maintained	No	No
Personal	30+ Calendar Days to 1 year	Maintained	Not Maintained	Not Maintained	No	No
Compassionate or Special	4 – 6 Work Days	Maintained	Maintained	Maintained	Yes	Yes
Education	1 Year	Maintained	Not Maintained	Not Maintained	No	No
Maternity	18 Weeks	Maintained	Maintained	Maintained	No	No
Parental	12 Weeks	Maintained	Maintained	Maintained	No	No
Sick	14 Calendar Days	Maintained	Maintained	Maintained	85 hours max.	Yes, if paid sick time available
WCB	N/A	Maintained	Maintained	2 Years	Per Plan	No
Layoff	N/A	Maintained	Not Maintained	Not Maintained	No	No
Court Duty	N/A	Per Art. 11.5	Per Art. 11	Per Art. 11	Per Art. 11	Per Art. 11
Medical / Dental Appt		Maintained	Maintained	Maintained	Yes	Yes
Union – Long Term	4 years	Maintained	Not Maintained	Union Plan	Union Plan	Union Plan
Union – Short Term	1 Week	Maintained	Maintained	Maintained and Union Reimburses	Maintained and Union Reimburses	Maintained and Union Reimburses

* For those employees with more than five (5) years seniority prior to the first day of absence on LTD, the Company will keep their files open equal to the amount of their seniority or to a maximum of ten (10) years. Eligible employees absent in excess of two (2) years shall retain but not accrue seniority. No other benefit will accrue during this period.

These employees will not be eligible to apply for early retirement or severance pay. Employees who are on LTD leave in excess of two (2) years and are given clearance to return to work, but do not have sufficient seniority shall be placed on the layoff list and their seniority will then start to accrue.

11.13 Union Leaves

An employee that has been elected as a delegate for the Union, shall make a written request for leave, without pay, at least four (4) weeks in advance of when the leave is desired.

The Union may request on an individual basis that the Company consider waiving the four (4) weeks written notice.

The Company will review such requests for approval taking into consideration operational requirements but they will not be unreasonably withheld. There shall be no more than three (3) employees off for such leave at any one time, and the total maximum number of such leaves per year may be limited by the Company based on operational requirements.

Article 12 Absence from Work

12.1 Notification

Employees detained from work by illness or by any other cause shall notify the Company within the first two (2) hours, of each scheduled shift on the first working day absent. Such notification shall include the expected date of return to work and subsequent changes to the expected date of return to work.

12.2 Absence For More Than Three Working Days Per Year

If an employee is absent from work for a total of three (3) working days per year and neglects to notify the Company, the employee's service may be terminated.

Article 13 Grievance Procedure

13.1 Grievance Defined

In this Agreement, unless the context otherwise requires, "grievance" means:

- (a) any dispute or difference between the Company and the Union governing the discipline, suspension, or dismissal of any employee bound by this Agreement; and
- (b) any difference between the persons bound by this Agreement concerning its application, interpretation, operation or any alleged violation thereof, including any question as to whether any matter is arbitrable.
- (c) any alleged inconsistency in application of Company rules.

It is agreed that grievances and disputes relative to the interpretation and application of the clauses of this Agreement, which may arise during the life of this Agreement shall be promptly discussed and the

parties hereto will diligently cooperate in an effort to adjust such grievances at the earliest possible time. In all grievances between the parties, the employees shall continue to work until such grievance is settled.

13.2 Individual / Discipline Grievances:

The procedure for adjusting such matters is as follows:

Step 1

Within five (5) working days of the incident that is the basis of the complaint, the employee, alone or with the assistance of a Shop Steward, will discuss the matter with his Company representative designated to handle such matters, and, failing resolution, will initiate a grievance in writing.

Step 2

Failing agreement being reached by the above, the grievance will be discussed within five (5) working days by the Senior Shop Steward and the Company representative designated to handle such matters. The Company representative shall give his decision in writing within five (5) working days following such discussion.

Step 3

Failing agreement, the grievance may be advanced within five (5) working days of the response at Step 2 to the Company representative designated by the Company to handle such matters and the Business Representative designated by the Union. The Company representative shall give his decision within seven (7) working days following such meeting, at which time the Company response shall be given in writing. In the case of a grievance initiated by the Company, the Business Representative designated by the Union shall within seven (7) working days provide the Union position in writing.

For grievances arising from the dismissal or termination of an employee, the Grievance Procedure shall be initiated at Step 2.

Failing agreement, the grievance may be submitted to Arbitration.

13.3 Policy / Group Grievances:

A Policy grievance is defined as one arising from differences of interpretation, application, operation of, or any alleged violation of this Agreement between the Employer and the Union relative to this Agreement, or any alleged inconsistency in application of Company rules. A Policy grievance may be initiated by either the Union or the Company.

A Group grievance is one which involves a matter of concern to a group of employees.

For Policy or Group grievances, the Grievance Procedure shall be initiated at Step 2 as shown in Article 13.2 above.

13.4 Time Limit

Failing agreement, the grievance may be submitted to Arbitration. Failure to respond within the time limits outlined in grievances submitted under the Grievance Procedures shown above shall automatically

advance the grievance to the next step in the procedure.

13.5 Extension of Time Limits

The above time limits may be extended by mutual agreement between the Company and the Union.

Article 14 Arbitration

14.1 Advancement of Grievance to Arbitration

Failing resolution of the grievance at the Step 3 grievance meeting as shown in Article 13.2 above, either party may, within five (5) working days, or such longer period as they may mutually agree upon, notify the other party that they wish to advance the matter to Arbitration.

Within five (5) working days of notification, the Company's Management Representative and the Union's Business Representative will mutually agree on an Arbitrator. In the event of the failure of the parties to agree upon an acceptable Arbitrator, he shall be appointed by the Minister of Labour of the Province of British Columbia.

The Arbitrator shall convene a hearing as soon as possible, in order to bring the dispute to an expeditious conclusion.

By mutual agreement, the parties may use the Expedited Arbitration Procedure as outlined in Article 14.3.

14.2 Formal Arbitration Process

The Arbitrator shall conduct the hearing in accordance with the relevant legislation, and will give full opportunity to all parties to present evidence and submissions.

The decision of the Arbitrator shall be final, binding and enforceable on the parties. However, the Arbitrator shall not have the power to change this Agreement by altering, modifying or amending any provision.

The parties to this Agreement shall jointly bear the cost of the Arbitrator and each of the parties shall bear the cost of its own representatives and witnesses.

14.3 Expedited Arbitration

The parties may by mutual agreement choose to use the Expedited Arbitration process outlined in this clause. Should the parties fail to agree on the Expedited Arbitration process in this section, then the formal process will be utilized. Where either party proposes using this section of the Agreement, it shall not be unreasonably withheld.

It is understood and agreed that the process outlined in this clause differs from the Expedited Arbitration provisions outlined in Section 104 of the *Labour Relations Code* of British Columbia, and nothing in this clause is designed to prevent either party from access to the provisions of the *Code*.

a) Terminations

Grievances involving employee terminations which are submitted to the Expedited Arbitration Procedure will be heard within fourteen (14) calendar days from the request for hearing, if possible.

b) Representation at Arbitration

The parties will agree, at the time of selecting the Expedited Hearing Procedure, the type of representation to be used. (ie: in house, consultants or agents, legal).

c) Presentation at Arbitration

It is intended that this procedure be short, concise and conducted as follows:

Comprehensive opening statements will specify the facts in dispute and the provisions of the Collective Agreement upon which reliance is placed. Arguments will be presented to points at issue.

Case authorities will be limited to two (2) precedents and will go only to points at issue. Previous arbitration awards for grievances at Avcorp will be used as a guide. It is understood, however, that previous arbitration awards made under the Expedited Arbitration Procedure as outlined in this Agreement, shall have no precedent value, in accordance with Article 14.3 (g).

The parties will endeavor to conclude cases within one (1) working day. Nothing in the foregoing limits either party from introducing all the evidence they believe relevant to a case.

Witnesses will only be used to enter evidence relative to facts in dispute or for expert explanations and their testimony will be guided to the issues of fact.

d) Mediation of Issue

Mediation of the issue by the Arbitrator will be permitted if the parties both agree, but the parties must have authority to settle the issue.

e) Conducting of Hearing

Hearings will be conducted in an informal manner and will follow normal procedural rules for Arbitration.

f) Arbitrator's Award

The Arbitrator will provide his award as follows:

A verbal decision if possible to the parties within two (2) working days.

A written decision will be given to the parties within ten (10) working days of the verbal decision.

The written decision will set forth a brief explanation of the facts, terms of the Agreement and / or law relied upon.

g) Decisions

Decisions will be without precedent or prejudice to future proceedings and will be consistent with the terms of the Agreement.

14.4 Powers of the Arbitration Authority

In the event where an Arbitrator deems he has no power to rule, it shall be referred back to the parties without decision or recommendation on its merits. The decision of the Arbitrator shall be final and binding on both parties.

14.5 Claims of Back Pay

All Arbitrations involving claims for back wages shall be limited to the amount of wages that the employee would have otherwise earned, less any unemployment or other compensation that he may have received from any source during the period of the back pay.

No decision in any one case shall require a retroactive wage adjustment in any other case.

Article 15 Hours of Work

The Union recognizes the Company's requirement to meet customer needs for a seven (7) day week operation and the Company recognizes the employees desire to maintain the nine day fortnight. Based on the above, the parties agree to maintain the nine day fortnight but on an alternating basis in order to accommodate the Company's need for a seven (7) day week operation in the increasingly competitive aerospace manufacturing industry. The parties may review requests to alter current fortnight arrangements.

Locally affected employees may recommend to the Employer and the Union changes to their starting times as set out in this Article.

15.1 Work Week

The normal work week shall be nine (9) days in each two (2) week period with all employees assigned to alternating Fridays except Maintenance and Shipping / Receiving employees who may be assigned to alternating Fridays or Mondays off.

Following ratification of this Agreement employees will be assigned by Management to a specified nine day rotation. Any other operation requirements that may alter nine day rotation will be reviewed by Management and the Shop Committee. Agreement to these changes will not be unreasonably withheld. The Shop Committee may require a vote of the affected employees.

Employees will work a regular eight and one-half (8-1/2) hours per day, which is equivalent to seventy-six and one-half (76-1/2) hours per fortnight or an average thirty-eight and one-quarter (38-1/4) hour week.

Employees on night shift shall be paid for eight and one-half (8-1/2) hours per shift inclusive of a paid one-half (1/2) hour meal break. In order to qualify for this, employees on night shift must work a minimum of four (4) hours from the actual shift starting time to receive one half (1/2) hour of the above premium and must work the entire scheduled shift to receive the full one (1) hour premium.

The normal working hours shall be as follows:

Day shift	06:30 - 15:30
Afternoon shift	15:30 - 00:30
Night shift	23:30 - 07:30

Alternate start times may be mutually agreed upon between the Company and the Union, on a departmental basis, based upon operational requirements.

15.2 Rest Periods

Rest periods of ten (10) minutes and meal breaks of thirty (30) minutes will be maintained at times mutually agreed. Prior to working during a scheduled rest period or meal break, the employee must receive the permission of their immediate Supervisor or designate.

15.3 Wash Up and / or Cleanup

A wash-up and / or clean-up period of three (3) minutes before the end of a work shift will be maintained.

15.4 Pay Loss for Lateness

Lateness in reporting for work will be handled as per the following examples:

- one (1) to three (3) minutes late: employee loses no pay but is marked late.
- four (4) to six (6) minutes late: employee loses (.1) pay and will be marked late etc. as set out above

Disciplinary action will be taken for persistent lateness as laid down in Company rules.

15.5 Shift Work Rotation

It is agreed that shift work will be on a rotational basis within a functional work area with employees spending an equal amount of time on each shift.

NOTE: Exceptions to this can be made in the case of Chargehands, unless there are two (2) or more Chargehands in that functional work area in which case they shall take equal turns on the rotational shifts.

15.6 Notice of Shift Change

In the event of an employee being required to change shift (days, afternoons or nights), three (3) calendar day's notice shall be given. If an employee does not receive notice on the third day prior to the shift beginning, he shall receive the appropriate overtime rate for the first shift worked.

15.7 Employees Moving From One Functional Work Area to Another

Should an employee move from one functional work area to another, he shall remain tied to his previous functional work area for the purposes of overtime distribution and shift rotation until after the current pay period. Following the current pay period the employee will be considered part of his new functional work area for the purposes of overtime distribution and shift rotation.

15.8 Shift Differential

Employees required to work an afternoon shift will receive a premium of one dollar (\$1.00) per hour in addition to their hourly rate.

Employees required to work night shift will receive a premium of one dollar (\$1.00) per hour in addition to their hourly rate.

15.9 Training Sessions

The Union and the Company have agreed that in order to facilitate the scheduling of training while minimizing the impact on production, training sessions will be arranged on the fortnight day off on a voluntary basis.

While attending these training sessions, employees will be paid straight time and not overtime. This is strictly for training purposes and personnel will not be available for work on production parts.

15.10 Weekend Shift

The Company agrees that when there is a need to run a weekend shift in a given functional area, they and the Union Shop Committee will meet and review manloading requirements. The weekend shift shall be staffed on a voluntary basis for all employees.

Employees requesting and approved to work the weekend shift will receive seven (7) days advance notification of shift change.

Volunteer employees must have the ability to perform the required work. When this is the case, they shall be selected based upon their classification seniority. It may not be possible to accommodate all volunteers in a particular area. If this is the case, volunteers may be offered weekend shift work in another area, provided they have the ability to perform the required work.

Employees on the weekend shift will be paid twelve and three-quarter (12.75) hours for each full shift worked. The additional three-quarter (.75) hours per shift shall be in lieu of a premium. Partial shifts shall be paid based upon the actual hours worked.

The hours of work for the weekend shift shall be 6 a.m. to 6 p.m., Friday – Sunday.

Employees on the weekend shift will be excluded from the application of Article 16.3 of the Collective Agreement, Sundays at double time (2x).

Employees transitioning onto the weekend shift will be excluded from the application of Article 16.2 of the Collective Agreement for the weekend they transition onto the weekend shift.

General holidays shall be paid as if they are a day worked (ie. employees shall be paid the number of hours scheduled on the day the holiday falls). Where a general holiday falls on a normal non-working day, the working day closest to the holiday shall be recognized as the holiday.

Employees who volunteer for the weekend shift may decide to leave the shift and return to normal shift schedule with four (4) week notice in writing to the Human Resources Department. In order to minimize the impact of movement to and from the weekend shift, employees will be moved in such a fashion that provides the least amount of impact on the continuity of pay cheques.

Voluntary movement onto the weekend shift would be after completion of a week of work and moving directly onto the weekend shift.

When the Chargehand is required on the weekend shift, the posting and selection process outlined in Article 7.2 shall be followed. Chargehands appointed through this process will revert to their previous wage rate should they return to a non-weekend shift.

In functional areas that have a weekend shift, employees not on the weekend shift may, by mutual agreement between the Company and the Union, work a four (4) day work week, consisting of four (4), ten (10) hour shifts. Employee agreement to alter the regular work week for four (4), ten (10) hour shifts must be unanimous.

Functional areas that vote to alter the regular work week shall remain on the four (4) day work week as long as the weekend shift is in that functional area.

The hours of work for the four (4), ten (10) hour work week shall be: Day shift 5:30 a.m. – 3:30 p.m.; Afternoon shift 3:30 p.m. – 1:30 a.m.

Article 16 Overtime

16.1 Daily Overtime

All hours worked in excess of eight and one half (8-1/2) hours in any one (1) day shall be paid at the rate of time and one-half (1-1/2 x) for the first two (2) hours and double time (2x) thereafter.

16.2 Weekly Overtime

Time worked on the first rest day in any week shall be paid at the rate of time and one-half (1-1/2x) for the first eight and one-half (8-1/2) hours, and double time (2x) thereafter. Other than in the case where Sunday is the second day of rest, time worked on the second rest day shall be double time (2x) provided that six and one-half (6-1/2) hours of the first rest day was worked.

A qualified employee who works six and one-half (6-1/2) hours on a day proceeding a Sunday will be given first consideration for available work on the Sunday.

If on the first day of rest an individual is requested by a Supervisor to specifically work an amount of overtime less than six and one-half (6-1/2) hours, that individual on the second day of rest will be paid at double time (2x) rates.

Unless otherwise specifically authorized by the Employer, employees that do not work all their regularly scheduled shifts due to sickness or unauthorized absences will lose any overtime work opportunity for that week.

16.3 Sundays

All time worked on Sundays shall be paid at double time (2x).

16.4 General Holiday

For time worked on a General Holiday an employee shall be paid double time (2x) plus his regular hourly rate or time off in lieu.

16.5 Authorization of Overtime

Whenever possible when overtime is authorized, twenty-four (24) hours advance notice shall be furnished to the employee concerned, and the wishes of the employees shall be given consideration in the allocation of such overtime. For weekend overtime, whenever possible forty-eight (48) hours advance notice shall be furnished to the employee concerned. A rest period shall be included in each four (4) hour work period exclusive of meal period, as per Article 15, "Hours of Work."

16.6 Distribution of Overtime

The Company agrees to make every effort to distribute overtime equally among employees in the functional area who are able to do the work.

16.7 Banking of Overtime

Overtime hours can at the employee's option and at the time of each overtime occurrence, be credited to an overtime bank at the applicable overtime basis or will be paid as above. On forty-eight (48) hours advance notification by an employee and at the Company's discretion, hours in the overtime bank may be granted as time off in lieu. Any amounts of banked time outstanding at the end of March, June, September and December will be paid to the employee at the rate earned. Outstanding banked overtime will be paid out on the first pay following the last pay period in each of these months. Employees will be advised of their overtime bank status on their bi-weekly pay statements.

An employee may request, in writing, an extension equal to one thousand (\$1000.00) dollars of banked time from one period to the next.

16.8 Call Out

A call out is when an employee(s) has completed his shift and is asked to return to work with less than ten (10) hours notice. Employee(s) shall not unreasonably refuse a callout. Employee(s) will be paid for two (2) hours at double time (2x). Time worked beyond two (2) hours will be paid at the established overtime rate. In addition, the employee(s) who is called out under this provision shall be paid for travel time of one-half (1/2) hour, each way, at double time (2x).

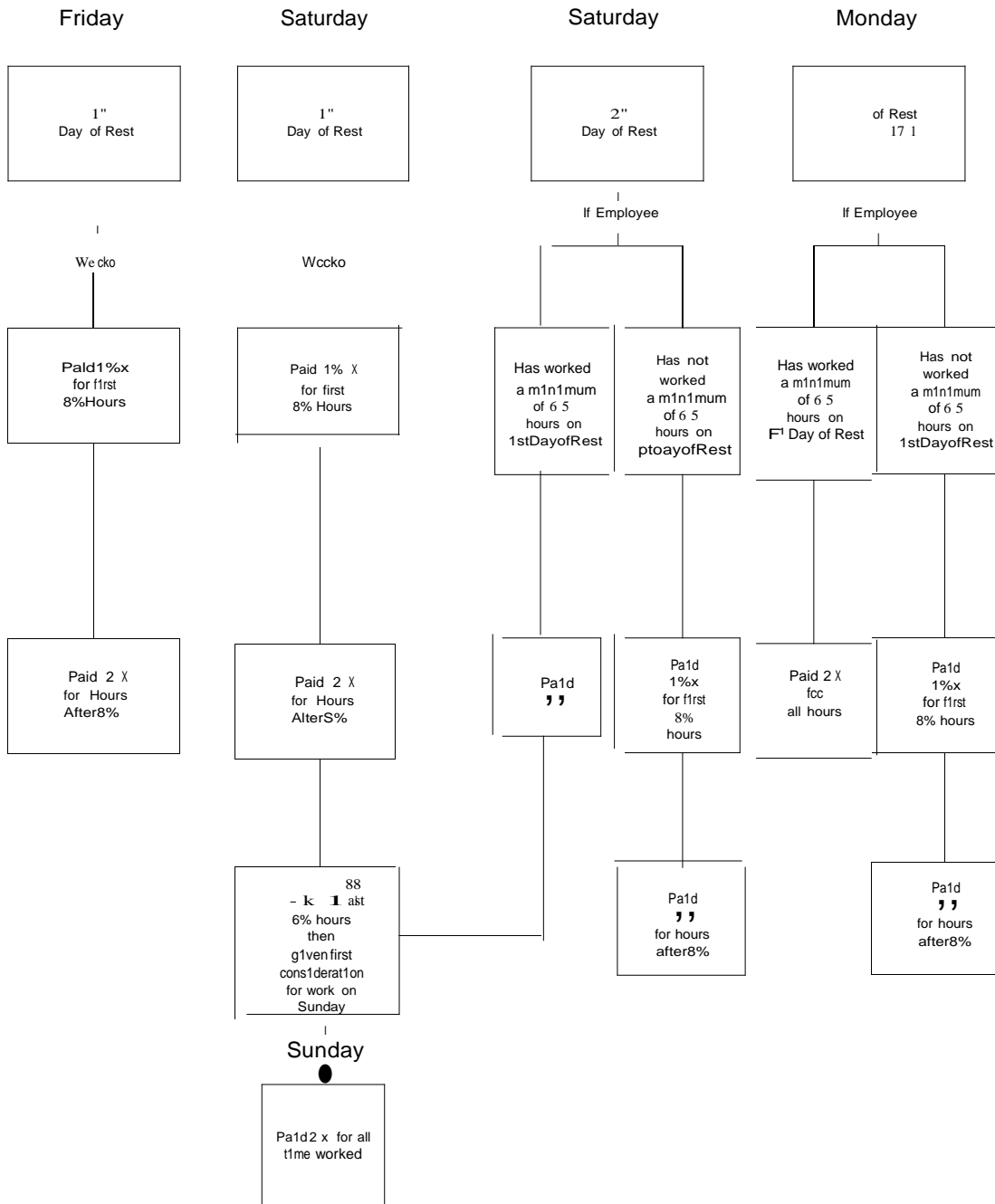
A call out occurs where the Employer contacts an employee to come in for an unscheduled shift with less than ten (10) hours notice, or where an employee is asked to come in more than two (2) hours prior to their regularly scheduled shift. Where an employee is asked to come in for two (2) hours or less prior to their regularly scheduled shift, overtime guidelines shall apply.

Employees will be made aware at the time of request whether they are being asked for overtime or call out.

16.9 Flow Chart – Overtime

Overtime Flow Chart

Article 17



Article 17 General Holidays

17.1 List of General Holidays

The employees shall be paid their regular wages for the following general holidays, plus any general holiday legislated by the Federal Government or by the British Columbia Provincial Government, and which is applicable to British Columbia:

New Year's Day	Labour Day
Family Day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
B.C. Day	

Should any of the above listed holidays fall on a normal non-working day, (i.e. a Saturday or Sunday), then the first normal working day following the holiday shall be recognized as the holiday.

Employees who work at least seventy-six and one-half (76.5) regular scheduled hours (excluding overtime) during the thirty (30) calendar day period immediately preceding the general holiday in a higher classification, shall be paid the statutory holiday pay rate based on that classification. This shall include employees temporarily upgraded to the Chargehand position.

17.2 Employee Eligibility

To be eligible for the above holiday pay an employee must have worked at least seventy-six and one-half (76.5) regular scheduled hours (excluding overtime) during the thirty (30) calendar day period immediately preceding the general holiday. The following absences will be considered as legitimate for the purposes of calculating the seventy-six and one-half (76.5) regular scheduled hours (excluding overtime):

- attending court
- vacation leave
- banked overtime leave
- compassionate leave
- paid sick days

Employees on WCB or CLBP leaves must have returned to work from such leaves during the thirty (30) calendar day period immediately preceding the general holiday in order to be eligible for the holiday pay.

17.3 Eligibility For Employees Terminating

For employees who give notice to terminate their employment, in addition to the requirements in Article 17.2 above, those employees shall be required to work a minimum of four (4) consecutive days immediately following the General Holiday.

Article 18 Annual Vacation with Pay

18.1 Vacation Year

For the purpose of calculating vacation pay and recording vacation entitlement a "vacation year" has been established. The year begins on July 1 and ends on June 30.

During a calendar year where an employees' completion of years of service moves him to a higher level of vacation entitlement, the employees' Company service date will be used to calculate additional vacation time entitlement only which may be taken during that calendar year prior to actual completion of years of service. Any additional vacation pay entitlement will be calculated and paid only after actual completion of years of service. Additional vacation pay entitlement shall be paid within thirty (30) days of the June 30 vacation year end.

18.2 Vacation Entitlement

Vacation entitlement listed below will be increased by eight and one half (8 ½) hours for each General Holiday that occurs during their vacation period provided the employee meets the eligibility requirements as set out in Article 17.2.

Employees with length of service of:	Will be entitled to:	With the following pay applicable:
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YEARS OF SERVICE	TIME ENTITLEMENT	PAY ENTITLEMENT
Less than 1 year	Eight and one half (8 1/2) hours for each month of service to a maximum of seventy-six and one half (76 1/2) hours	4% of his gross salary to June 30th of that year
Greater than 1 year And Less than 4 years	Seventy-six and one half (76 1/2) hours	Seventy-six and one half (76 1/2) hours pay at current rate or 4% of previous years gross salary whichever is greater.

Greater than 4 years And Less than 9 years	One hundred and fourteen and three quarter (114 3/4) hours	One hundred and fourteen and three quarter (114 3/4) hours pay at current rate or 6% of previous years gross salary whichever is greater.
Greater than 9 years And Less than 15 years	One hundred and fifty three (153) hours	One hundred and fifty three (153) hours pay at current rate or 8% of previous years gross salary whichever is greater.
Greater than 15 years And Less than 20 years	One hundred and ninety-one and one quarter (191 1/4) hours	One hundred and ninety-one and one quarter (191 1/4) hours pay at current rate or 10% of previous years gross salary whichever is greater.
Greater than 20 years	Two hundred and twenty nine and one half (229 1/2) hours	Two hundred and twenty nine and one half (229 1/2) hours pay at current rate or 12% of previous years gross salary whichever is greater.

NOTE: If an employee takes all his vacation in weekly blocks (seven (7) consecutive days from Sunday to Saturday inclusive) then any additional time off that may occur because of this schedule beyond the total annual hourly entitlement as set out in this Article will be considered as an unpaid leave of absence.

If an employee takes any of his vacation in blocks of days rather than weeks, then he will only be able to schedule vacation time away from work equivalent to the total annual hourly entitlement. There will be no additional unpaid leave of absence days available in this case.

18.3 Requests For Vacation

The Company will require all employees to take vacation and may close the plant for such purposes, or in the alternative, may stagger their vacation in order to maintain continuous production.

Employee(s) will be provided an opportunity to submit written requests for vacation time off. All such requests are to be provided to the employee's Supervisor or his designate for approval by March 31 of each year. Such requests will be responded to by April 15 of each year and employee requests will be either approved or denied. Employees whose requests are denied may re-submit alternative dates within forty-eight (48) hours. Such requests will be responded to by April 30 of each year.

Requests for vacation time between December 15 and January 15 shall be responded to by October 15 of each year.

Should there be conflicts regarding the scheduling of vacation, then such employee conflicts will be resolved by Company seniority within a functional area.

Employee requests for vacation received on or after April 1st will be considered for approval on a first come, first serve basis. Such requests must be made at least forty-eight (48) hours prior to the commencement date of the vacation leave. The Company will respond to such requests within forty-eight (48) hours of the time the request is made.

All vacations are to be taken as time off by April 30th of the following year.

No vacation carry over will occur except in exceptional situations on a case by case basis as determined and approved by the Employer.

18.4 Plant Shutdown

Employees will be notified by March 1st of a Summer Plant Shutdown required in that year.

Employees will be notified by October 1st of any Christmas Plant Shutdown required in that year.

Unless some justified circumstances based upon customer needs exist, shutdowns shall be limited to a total of four (4) weeks per calendar year. Where such justified circumstances based upon customer needs exist, the Company shall meet with the Union Shop Committee in order to discuss reasons for shutdown.

In the event of a plant shutdown the Company will specify which department(s) and / or project(s) if any, aside from the Maintenance Department, will continue normal operations. The Company agrees to provide the Union with forty-two (42) days prior notice which departments will continue normal operations.

Employees who want to work during the shutdown should notify the Human Resources Department by written memo at least thirty (30) calendar days prior to the particular plant shutdown date.

The selection criteria sequence for determining which employees will work during a plant shutdown will be as follows:

1. Within a Functional Area by Classification Seniority.
2. Within a Classification by Classification Seniority.
3. Outside Classifications by Company Seniority.

A list of employees that have been selected to work during the plant shutdown will be posted twenty-one (21) calendar days prior to the shutdown.

18.5 Employees Working Less Than 850 Hours

Employees who actually work less than eight hundred and fifty (850) hours excluding overtime in a year will be credited with a years' service but will only be eligible to take time off that is equivalent to the amount of vacation money earned divided by the employees' hourly rate.

Employees that fall within this category, with the exception of plant shutdown, will not be allowed to take time off without vacation pay.

An employee who works eight hundred and fifty (850) hours or more shall be paid normal wages for all vacation at the time they are taken.

An employee who reaches his normal retirement age and has met the eight hundred and fifty (850) hour eligibility shall be paid the full amount of vacation hours earned under the Collective Agreement when he retires.

Article 19 Early Retirement

19.1 Eligibility

Early retirement may be taken where the employee's age plus service equals the number seventy (70). The employee may exercise this option but only upon six (6) month notice or a lesser period of time provided the Employer is in agreement.

Retirement pay will be provided at his hourly rate of pay times three hundred and fifty (350) hours.

19.2 Requests For Early Retirement Consideration

Any employee not meeting this requirement who wants to retire early may make this request directly to the Employer. It will be at the Employer's discretion to set the amount of any retirement payment in these situations on an individual request basis.

Article 20 Normal Retirement

20.1 Age For Normal Retirement

It is agreed that an employee's normal retirement date shall be on the first day of the month following or coincident with his sixty-fifth (65th) birthday.

20.2 Retirement Bonus

An employee who retires on his normal retirement date and whose age plus service equals the number seventy (70) shall be provided with a retirement bonus equivalent to his hourly rate of pay times five hundred (500) hours.

Article 21 Wages

21.1 Wages

Wages shall be those agreed upon in accordance with the classification and level the employee is employed in. Payment of wages shall be made by direct deposit to the employee's bank account every second Thursday, and pay information statements shall be distributed to employees during normal working hours.

A lump sum payment of one thousand (\$1,000.00) dollars in the first pay period after date of ratification for active employees as of July 24, 2013. A three hundred (\$300.00) dollar lump sum payment in the first pay period of January, 2014 for active employees as of July 24, 2013.

21.2 Wage Rates

Classification Level	2012	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018
		1.00%	2.00%	2.00%	2.50%	2.50%	3.50%
Jig & Toolmaker Optics/Laser	32.29	32.61	33.26	33.93	34.78	35.64	36.89
Jig & Toolmaker Journeyman	32.08	32.40	33.05	33.71	34.55	35.42	36.66
Jig & Toolmaker I	28.34	28.63	29.20	29.78	30.53	31.29	32.39
Jig & Toolmaker 2	26.49	26.75	27.29	27.83	28.53	29.24	30.26
Inspector Technician	31.53	31.85	32.48	33.13	33.96	34.81	36.03
Inspector	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Lab Technician 1	29.95	30.25	30.85	31.47	32.26	33.06	34.22
Lab Technician 2	26.53	26.79	27.33	27.88	28.57	29.29	30.31
Journeyman Machinist	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Machinist 1	28.35	28.64	29.21	29.79	30.54	31.30	32.40
Machinist 2	26.50	26.76	27.30	27.84	28.54	29.25	30.28
Machinist 3	24.99	25.24	25.74	26.26	26.91	27.59	28.55
Machinist 4	23.83	24.07	24.55	25.04	25.67	26.31	27.23
Aircraft Structural Technician	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Mechanic 1	27.46	27.73	28.29	28.85	29.57	30.31	31.37

Classification Level	2012	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018
		1.00%	2.00%	2.00%	2.50%	2.50%	3.50%
Mechanic 2	25.10	25.35	25.86	26.37	27.03	27.71	28.68
Mechanic 3	23.88	24.12	24.61	25.10	25.73	26.37	27.29
Mechanic 4	22.93	23.16	23.63	24.10	24.70	25.32	26.21
Learner 1	20.45	20.66	21.07	21.49	22.03	22.58	23.37
Learner 2	19.10	19.29	19.68	20.07	20.57	21.09	21.82
Learner 3	18.07	18.25	18.62	18.99	19.46	19.95	20.65
Learner 4	16.98	17.15	17.49	17.84	18.29	18.75	19.40
Learner 5	15.96	16.12	16.45	16.77	17.19	17.62	18.24
Learner 6	15.19	15.34	15.65	15.96	16.36	16.77	17.35
Aircraft Structural Technician and Machinist - Apprenticeship							
Year 4	25.28	25.54	26.05	26.57	27.23	27.91	28.89
Year 3	21.56	21.77	22.21	22.65	23.22	23.80	24.63
Year 2	18.57	18.76	19.14	19.52	20.01	20.51	21.22
Year 1	15.61	15.77	16.09	16.41	16.82	17.24	17.84
TQ Painter	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Painter 1	27.57	27.84	28.40	28.97	29.69	30.43	31.50
Painter 2	25.22	25.47	25.98	26.50	27.16	27.84	28.81
Painter 3	23.97	24.21	24.70	25.19	25.82	26.47	27.39
Painter 4	23.01	23.24	23.71	24.18	24.78	25.40	26.29
Material Handler 1	26.76	27.03	27.57	28.12	28.82	29.54	30.58
Material Handler 2	25.10	25.35	25.86	26.37	27.03	27.71	28.68
Material Handler 3	23.88	24.12	24.61	25.10	25.73	26.37	27.29
Journeyman Electrician	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Journeyman Millwright	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Millwright 1	28.35	28.63	29.21	29.79	30.54	31.30	32.39
Millwright 2	26.50	26.77	27.30	27.85	28.54	29.26	30.28
TQ Composite Fabricator	29.74	30.04	30.64	31.25	32.03	32.83	33.98
Comp Fab 1	27.46	27.73	28.29	28.85	29.57	30.31	31.37

Classification Level	2012	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018
		1.00%	2.00%	2.00%	2.50%	2.50%	3.50%
Comp Fab 2	25.11	25.36	25.87	26.38	27.04	27.72	28.69
Comp Fab 3	23.88	24.12	24.61	25.10	25.73	26.37	27.29
Comp Fab 4	22.93	23.16	23.63	24.10	24.70	25.32	26.21
Learner Comp Fab 1	20.45	20.66	21.07	21.49	22.03	22.58	23.37
Learner Comp Fab 2	19.10	19.29	19.68	20.07	20.57	21.09	21.82
Learner Comp Fab 3	18.07	18.25	18.62	18.99	19.46	19.95	20.65
Learner Comp Fab 4	16.98	17.15	17.49	17.84	18.29	18.75	19.40
Learner Comp Fab 5	15.96	16.12	16.45	16.77	17.19	17.62	18.24
Learner Comp Fab 6	15.19	15.34	15.65	15.96	16.36	16.77	17.35
General Operations Support 1	23.37	23.60	24.08	24.56	25.17	25.80	26.70
General Operations Support 2	21.61	21.83	22.26	22.71	23.28	23.86	24.69
General Operations Support 3	19.86	20.06	20.46	20.87	21.39	21.93	22.70
General Operations Support 4	18.10	18.29	18.65	19.02	19.50	19.99	20.69

21.3 New and Probationary Employees

A new employee will be placed at the appropriate wage level within the classification into which he is hired according to his previous experience or training. A probationary employee shall not be upgraded to the next wage level until completion of the probationary period. The employee will also not be allowed to apply for any other job postings until after the probationary period is complete. An employee evaluation process will be used to determine the probationary employee's suitability and will occur at least once every three (3) months.

21.4 Progression

Qualifications for higher wage rates through scheduled progression assumes that an employee will achieve a normal rate of progress in the accumulation of the skill and job knowledge required.

Should an employee not achieve a normal rate of progress in the accumulation of the skill and job knowledge required, then the employee may be held at their current rate until they reach an acceptable rate of progress.

Both the employee and the Union will be so advised. Such written warning must be issued no later than fourteen (14) calendar days prior to the scheduled increase.

An employee evaluation process will be used to determine an employee's progress and will occur at pay progression intervals.

Progression shall be fifty-two (52) weeks except for Learners 1 through 6 which will be twenty-six (26) weeks

21.5 Additional Rates

Chargehand	\$2.15 / hour
First Aid Ticket Level II	\$100.00 / month

21.6 Profit Sharing

A Deferred Profit Sharing Program will provide an opportunity for employees to share in the profits of the Company. The details of program will be developed within eighteen (18) months following ratification of the contract. Upon Board approval, the Company will distribute a percentage of the Company's annual profits as outlined in Annual Reports, into employee's RRSP accounts. Any such contributions will be made in accordance with established mechanisms and time frames as established by the Board of Directors and prevailing regulatory bodies

21.7 Travel

Employees who are required to travel outside of Greater Vancouver on Company authorized business will be paid straight time rate for the actual hours traveled. For weekend travel, inclusive of an employee's scheduled Friday or Monday off in accordance with Article 15, employees will be paid time and one-half (1.5) to a maximum of eight and one-half (8.5) hours per trip; straight time rate for the actual hours traveled in excess of eight and one-half (8.5) hours. If, due to travel, an employee is unable to fulfill their regularly scheduled number of hours, they will be compensated for their full regular shift.

Airfares and accommodations shall be paid in advance by the Company or a cash advance will be provided to the employee to cover such costs. The employee will be provided a travel advance for meals and other approved out-of-pocket expenses. Any expenses not covered by this clause shall be in accordance with the Company's travel policy, a copy of which shall be provided to each employee prior to leaving on travel for Company business.

Article 22 Employee Discipline

22.1 Union Representation

The appropriate Union representative or his designate must be present when an employee may be required to make statements at hearings or meetings on matters affecting the Agreement, Company working rules, compensation, accidents or incidents from which discipline may arise.

In the event of an employee being suspended or discharged the Company shall notify the employee concerned and the Senior Shop Steward or his alternate indicating the reasons for the said suspension or discharge. Such an employee will have the right to see the Senior Shop Steward or his alternate, prior to leaving the Company's premises unless an employee's offense is of such a nature in the Company's opinion as to render it undesirable for him to remain on Company premises. In such cases, the Human Resources Department shall authorize sufficient time for the Senior Shop Steward or his designate to meet off premises with the individual.

22.2 Copies of Disciplinary Information

An employee will be informed of any correspondence of a disciplinary nature against the employee which the Company wishes to place on their personnel record, subject to their rights under this Agreement.

When a notation of discipline is made against the record of an employee, he will be furnished with a copy and a copy will be sent to the Union.

22.3 Removal of Disciplinary Letters

Disciplinary letters arising from suspensions will be removed from an employee's personnel file after twenty-four (24) months from date of origin, and, they shall be returned to the employee, provided there has not been any further incidents of a similar disciplinary nature. Should any such incident occur then all documents shall remain on file for twenty-four (24) months from the date of the most recent occurrence. Any other disciplinary letters including Letters of Expectation will be removed from an employee's personnel file after eighteen (18) months from the date of the Letter of Expectation.

22.4 Review of Personnel Files

An employee may review his personnel file during normal office hours by contacting the Human Resources Department. Access to personnel files shall be provided as soon as possible, but shall be no longer than twenty-four (24) hours following the request. The employee shall advise his Supervisor when leaving his work area.

22.5 Use of Disciplinary Information

Only the pertinent material and information contained in the personnel file under the jurisdiction of the Human Resources Department will be used in disciplinary action against the employee.

Article 23 Renewal and Termination

23.1 Contract of Agreement

This contract constitutes the entire Agreement between the parties and supersedes and replaces all previous Agreements and practices both written and oral.

23.2 Term of Agreement

This Agreement shall become effective as of April 1, 2013 and shall continue in full force and effect until March 31, 2019 and shall renew itself without change each succeeding March 31st thereafter unless written notice of intended change is served by either party in accordance with the British Columbia Labour Code.

23.3 Effect of Agreement During Negotiations

In the event of notice as provided in Article 23.2 this Agreement shall remain in full force and effect while negotiations are being carried on for the arrangement of a further Agreement.

Article 24 Employee Assistance Program

24.1 Purpose of Committee

It is agreed that the Committee already established to monitor the Employee Assistance Program, shall continue to investigate and recommend procedures which may involve professional assistance for employees with alcohol, drug or other personal problems.

24.2 Committee Composition

The Committee will consist of two (2) representatives from the Union and two (2) from the Company. The Committee will meet as often as necessary.

Article 25 New Technology, Technological Advances & Sub-Contracting

25.1 Advanced Planning

The parties agree that with the introduction of new techniques and technology, it is important that advanced planning be made to anticipate skills, needs, and training required.

25.2 Notification

The Company agrees to notify the District Lodge as far in advance as possible before the introduction of significant technological changes. Following such notification, the Company and the District Lodge will meet to determine and resolve:

- a) The effect upon the members of the Bargaining Unit.
- b) The classifications necessary to cover the work required (Reference Article 6.)
- c) Reasonable training and instruction of Bargaining Unit members necessary to perform the work.
- d) The impact of work moving from one classification to another.

25.3 On-The-Job Training

It is the Company's practice to continue on-the-job-training to ensure Bargaining Unit employees (with the basic knowledge and the ability to be trained), will be provided with the opportunity to keep current with new methods, tools, machines and new technology affecting their work and job security.

When technological change may require additional knowledge and skill on the part of a permanent employee, such employee shall be given the appropriate training where practical, to qualify to retain their employment. A reasonable time will be afforded to the employee in which to qualify. Instruction or training shall be done at the employee's regular rate and during scheduled working hours.

25.4 Employees Unable to be Retrained

If by reason of a technological change the employee cannot be retrained in accordance with Article 25.3 above the employee shall:

- i) Be given an opportunity to fill any vacancy for which he/she is qualified in accordance with Article 7 or
- ii) Follow the procedure as outlined in Article 9.

25.5 Filling of Vacancies

Any vacancy created as a result of the above shall be filled in accordance with Article 7.

25.6 Sub-Contracting

- a) It is agreed that there will be no sub-contracting in or out of the plant if there are employees available and with the ability to do the work unless some justifiable circumstance exists. The Company agrees not to sub-contract work specifically to evade the negotiated wages and benefits provisions.
- b) Where the Company intends to sub-contract work that has not already been agreed upon as justifiable, they shall discuss the proposed sub-contracting with the Union Shop Committee referenced in LOU No. 2 at least thirty (30)_days prior to any actual work being performed. During this period, the Union and the Company shall review relevant information related to the proposed sub-contracting, and shall work together to find ways to keep the work in the plant. Regardless of the outcome of such discussions, either party reserves the right to grieve under Section a) of this Article.

Article 26 Employee Benefits

26.1 RRSP Plan

The Company shall establish an individual Registered Retirement Savings Plan (RRSP) for each eligible employee after he has completed the probationary period. It is the employee's responsibility to join the RRSP Plan.

For employees over the age of seventy-one (71), contributions shall be made into a non-Registered Savings account.

26.2 Contributions

The Company shall match the employees' contributions as follows:

After probationary period to maximum of 1 1/2% of gross earnings

After 2 years' service to maximum of 2% of gross earnings

After 3 years' service to maximum of 2 1/2% of gross earnings

After 4 years' service to maximum of 3% of gross earnings

After 5 years' service to maximum of 3 1/2% of gross earnings

After 6 years' service to maximum of 4% of gross earnings

After 7 years' service to maximum of 4 1/2% of gross earnings

After 8 years' service to maximum of 5 1/2% of gross earnings

After 9 years' service to maximum of 6% of gross earnings

After 10 years' service to maximum of 6 1/2% of gross earnings

After 15 years' service to maximum of 7 1/2% of gross earnings

After 20 years' service to maximum of 8 1/2% of gross earnings

NOTE:For the purpose of this Article, "gross earnings" are defined as the employee's hourly wage rate times the average scheduled regular hours per month (i.e., normalized at 165-3/4 hours per month.) Hourly wage rates includes Chargehand rate as per Article 21.

26.3 Cashing in of RRSP Plan

Should an employee cash in his Plan at any time he will no longer be eligible to participate in this pension scheme.

Employees on layoff who cash in their total Plan will be required to begin over again at "after probationary period" rate, if they wish to participate after recall.

26.4 Deductions for Contributions to RRSP Plan

Contributions will be on a monthly payroll deduction basis, first payroll in each month, or as otherwise agreed to by the parties.

All contributions to be paid to Royal Trust R.R.S.P. account no later than ten (10) days after deduction from payroll.

26.5 Medical Plan

The Company will assume one hundred percent (100%) of the cost of the Overall Medical Services Plan premiums in the Province of British Columbia.

26.6 Dental Plan

- a) The Company will assume one hundred percent (100%) of the cost of a Group Dental Plan. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal Dental Plan, either in existence or introduced at a later date.
- b) It is further understood by both parties that the Company shall have full trusteeship of the Dental Plan and that the present benefit level will be maintained.
- c) Dental Plan benefits will be paid in accordance with the Dental Association fee schedule of the Province.
- d) Payment by the Dental Plan described above for benefits listed under Plan "A" will be one hundred percent (100%) and Plan "B" will be fifty percent (50%).
- e) Payment by the Dental Plan described above for benefits listed under Plan "C" will be fifty percent (50%). The life time maximum benefit covered member will be two thousand dollars (\$2,000.00).

"Orthodontic Treatment" means treatment by a Dentist for the correction of malposed teeth. Services for purely cosmetic purposes will not be covered. Benefits do not include replacement costs for lost or stolen appliances.

26.7 Extended Health Benefits Plan

- a) The Company will assume one hundred percent (100%) of the cost of an Extended Health Benefit Plan. Such plan will provide for prescriptions to be paid at 100%.
- b) It is further understood by both parties that the Company shall have full trusteeship of the supplemental Medical / Dental Plan and that the present benefit level will be maintained.
- c) The Extended Health Benefit Plan will provide coverage for corrective lenses in accordance with the provisions of the vision rate rider. The maximum amount claimable during any consecutive twenty-four (24) month period will be four hundred and fifty (\$450.00) dollars.

26.8 Group Life Insurance Plan

The benefit shall be one times (1x) yearly gross earnings for natural death and two times (2x) yearly gross earnings for accidental death.

Spousal Life Insurance to the value of five thousand (\$5,000.00) dollars.

Child Insurance for children over the age of 21 days to the value of two thousand five hundred (\$2,500.00) dollars.

_____	_____
_____	_____
_____	_____

The parties agree to abide by the terms of this Agreement.

Signed on this _____ day of _____, 2013

For the Union

For the Employer

LETTER OF INTENT NO. 1

Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Collaborative Efforts to Improve Competitive Position

The Company and Union recognize that long term viability of the Company rests on our ability to collaborate to improve our competitive position. Notwithstanding the jurisdictions and rights / responsibilities as laid out in the Collective Agreement, the Company and the Union agree that through the life of the contract, collaborative effort among all employees improving the competitive position of the Company shall be a primary consideration.

A key component of our collaborative approach is creating an environment of mutual respect and fairness in the workplace. All employees of the Company, including both management and bargaining unit employees, are expected to treat one another in a respectful and professional manner in the performance of their duties and interactions with other employees. Where it is alleged that any employee has breached this obligation in his treatment of another, a complaint may be lodged in writing with the Senior Shop Steward and the Human Resources Department. Nothing in this Letter or the Process for Investigation precludes an employee from filing a grievance over an alleged violation.

Process for Investigation of Complaints under Letter of Intent No. 1:

The parties have agreed to build an environment of mutual respect in the workplace at Avcorp. This is outlined in Letter of Intent No. 1. It is agreed that complaints under this Letter of Intent shall be dealt with quickly and efficiently, in order to maintain a high level of professionalism in the workplace.

Where an event occurs that is alleged to have breached Letter of Intent No. 1, respecting an employee's obligation of respect and professionalism, the following process shall be followed:

- Step 1 The individual shall lodge a complaint in writing with the Senior Shop Steward and the Senior Employee Relations Specialist of Human Resources.

- Step 2 As soon as possible thereafter, the Senior Shop Steward and the Senior Employee Relations Specialist (or their alternates) shall review the document and investigate the matter to confirm the facts. This may include interview of the complainant and the person against whom the complaint has been lodged, as well as other appropriate individuals and / or witnesses.

Determination is made as to whether the complaint is to be accepted or dismissed. If the complaint is accepted, the Senior Shop Steward and Senior Employee Relations Specialist shall convene a mediation meeting (where appropriate) in an effort to resolve the complaint). If such efforts fail to resolve the complaint the matter shall be moved to Step 3.

Step 3 Failing resolve at Step 2, the matter shall be discussed between the Business Representative of the Union and the Vice-President of Human Resources for the Company. All relevant information shall be reviewed by the parties. If the matter cannot be finally resolved at such meeting, the matter shall be moved to Step 4.

Step 4 If the Complaint is made against a member of management or staff, the matter shall be put before the President / CEO of the Company or his designate. If the complaint is made against a member of the Union, the matter shall be put before the Directing Business Representative of the Union or his designate.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF INTENT NO. 2

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Commercial Work**

Where the Company is faced with price reduction demands of major commercial customers that threaten the loss of major accounts, the Company and the Union have agreed that they will meet and bargain in good faith toward a Letter of Understanding designed to address the interests of the Company, the Union, and the employees.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 1

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Functional Areas**

The parties agree that, for the purpose of the Collective Agreement, the following will be recognized as functional areas. Functional areas cross reference in the Collective Agreement to overtime distribution, shift rotation, and vacation priority.

It is further agreed by the parties that the Shop Committee may by mutual agreement amend such designations as required.

FUNCTIONAL AREAS

CL604 & CL850

- Group 1 Final Assembly / Elevator / Sub-Assembly
- Group 2 Inspection
- Group 3 Material Handlers

FUEL TANKS & CH 47

- Group 1 Fuel Tank Assembly
- Group 2 Inspection
- Group 3 Material Handlers

BOEING WHEEL WELL & APB

- Group 1 Final / Sub-Assembly
- Group 2 Detail Part Fabrication
- Group 3 Inspection
- Group 4 Material Handlers

BOEING FLEX

- Group 1 Detail Part Fabrication
- Group 2 Sub-Assembly
- Group 3 Machine Shop
- Group 4 Inspection
- Group 5 Material Handlers

METAL BOND

- Group 1 Metal Bond & Composites
- Group 2 Phosphoric Process Line
- Group 3 Metal Bond Assembly
- Group 4 Inspection
- Group 5 Material Handlers

JSF

- Group 1 Final / Sub Assembly
- Group 2 Inspection
- Group 3 Material Handlers

SHARED ASSETS

- Group 1 Chromic Process Lines
- Group 2 Paint Shops
- Group 3 Detail Part Fabrication
- Group 4 Inspection
- Group 5 Material Handlers

MACHINE SHOP

- Group 1 Machinists
- Group 2 Vibro Deburr / Shot Peen
- Group 3 Inspection
- Group 4 Material Handlers

SUPPORT GROUPS

Facilities

- Group 1 Millwrights
- Group 2 Electricians
- Group 3 General Operations Support

Tool Shop
Laboratory

Overtime Distribution, Shift Rotation and Vacation Scheduling will be done by Company Seniority, by groups within Functional Areas with the exception of the following classifications:

Inspectors:

CL 605, CL850, Fuel Tanks, CH47

JSF

Boeing Wheel Well, Boeing Flex, APB

Metal Bond

Shared Assets & Main Machine Shop

Material Handlers:

Shipping/Receiving

CL605, CL850, Fuel Tanks, JSF, CH47

Boeing Wheel Well, Boeing Flex, Metal Bond, APB

Shared Assets & Machine Shop

Material Handlers

Material Handlers will move between functional areas at management's discretion. Work requirements will dictate the number of Material Handlers, If a Material Handler feels after one (1) year in their present location that they want to move, they may request such a move through their Supervisor. The move will be based on operational requirements at the time of the request

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 2

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Shop Committee**

In consideration of the mutual benefits to be obtained by way of a harmonious relationship between the Company and the Union and in recognition of the Vision Statement of this Agreement, the parties recognize the mutual value of ongoing, constructive joint discussions in matters pertaining to workplace issues which may impact upon the Collective Agreement or labour-management relations. To this end, the Union shall annually appoint a Shop Committee, which will be recognized by the Company. The Committee will be comprised of four (4) duly elected Shop Stewards, one of whom shall be the Senior Shop Steward.

The Shop Committee will meet with the designated Company representative(s) on a monthly basis, or as mutually agreed to by the parties, to investigate, assess and recommend solutions regarding the following general matters:

- a) Workplace issues which may impact upon the Collective Agreement;
- b) Discussion of ongoing or contemplated activities so that positive relations may exist between the Employer and the employees;
- c) Improving and extending services to the customer;
- d) Promoting safety practices, but not duplicating the role of the Health and Safety Committee;
- e) Identifying and correcting conditions causing grievances and misunderstandings so as to prevent disputes;
- f) Sub-contracting issues as referenced in Article 25.6.

Where the Company intends to make changes in the workplace that will impact upon the bargaining unit employees, the Company agrees to provide as much advance notice as possible to the Shop Committee and / or the Senior Shop Steward.

The Shop Committee shall not have any authoritative jurisdiction over grievances or any component of the Collective Agreement.

A written list of all Shop Committee members shall be furnished to the Company, and the Union shall notify the Company of any changes.

The Union Shop Committee members shall be on day shift for the duration of their term.

In addition to its meetings with management, the Shop Committee shall be allowed, if necessary, up to one (1) hour with pay every week, at regular rates, to meet in order to conduct Shop Committee business as stipulated in this Letter of Understanding. Shop Committee members shall obtain approval from their Supervisor before leaving their job to do Shop Committee business and shall provide the Company with an advance schedule of such regular meetings wherever possible. Shop Committee members shall not conduct any of their business while working on overtime hours, and shall labour on to Union Business when undertaking any Committee work.

If either party determines the intent of this Letter of Understanding is not being met, the Company and the Union shall meet to resolve the issue. If the issue cannot be resolved, either party may initiate a policy grievance as outlined in Article 13.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 3

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Inspector Transition Plan**

The parties recognize the need to reduce indirect costs and minimize production interruptions.

A transition will gradually take place which will focus on the certification of Chargehands, Journeypersons or equivalent personnel to perform limited in-process inspection buy-offs, as per Avcorp's Quality Control Instructions.

The intent of this transition is to eliminate a number of the in-process inspections by Inspectors and thereby have the accountability rest with the Chargehands, Journeypersons or equivalent personnel. There will continue to be requirements for critical process and final inspections.

Non-certified employees will continue to require Inspectors to buy-off their work, and random audits of work performed by certified employees shall be performed by Inspectors on a regular basis.

In addition, with the increase in internal audit and training requirements resulting from quality systems such as ISO 9001 and AS 9100, the overall plan is to utilize inspection personnel to perform some of these requirements.

There shall be no layoffs or reduction of Inspectors due to this process taking place. Through retirement, attrition, transfers to other classifications and growth, the target for Inspectors can be achieved.

* Equivalent personnel in this letter shall refer to those classifications that do not have employees with Journeyperson status. In such instances it is agreed that only employees who have achieved the highest level within the classification may become Company certified for in-process inspections.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 4

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Chargehand Transition Plan**

With the move to cells the Chargehand's role may evolve into co-ordination of a multi-functional work group.

Chargehands will continue to give technical advice to employees in their own classification. If technical advice is needed for employees in other classifications under his area of responsibility he may call on staff technical support or other employees with the technical background.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 5

Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Inspector Technician Training Plan

During the life of the Agreement the Company agrees to establish and implement an Inspector Technician training plan to ensure adequate coverage across the disciplines. Training opportunities will be offered by seniority, however, the Company retains the right to assign employees to training.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 6

Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Controlled Goods Security Clearance

The Company and the Union recognize the need to diversify their operational portfolio and to continue to bid on and win military projects in order to balance their military and commercial work. The parties further recognize that successfully adding military work to the Company in an environment of increased opportunities in defence and security controlled products will lead to success for the Company and job security for its employees. As a condition of award of these projects, it is a requirement for all employees who work on or near military projects to hold a security clearance administered through the processes outlined by the Canadian Controlled Goods Directorate (CGD).

The Canadian Controlled Goods Directorate (CGD) security application and clearance process is entirely administered by Avcorp. Avcorp has a Designated Official who acts on behalf of the Canadian Controlled Goods Directorate (CGD) for the purposes of accepting or denying CGD security applications.

The parties agree that:

- Only the Designated Official shall have access to the Security Information on applications
- All CGD records shall be destroyed upon termination of employment at Avcorp Industries Inc.
- The employee shall be informed if there is any official government request for information in their file
- The employee may review their own CGD file at any time, and a copy will be provided upon request.
- An employee's CGD application file may not be used for any purpose other than for the issue and maintaining of CGD security clearance
- All employees are required to participate in the CGD application process. Failure to be approved for a CGD clearance does not constitute cause for dismissal or discharge of an employee
- Where an employee makes a claim that they should be excluded from work on CGD-controlled work product, such claim shall be administered under the Duty to Accommodate (D2A) process.

The parties understand that the Canadian Controlled Goods Directorate (CGD) audits Avcorp's CGD security process from time to time.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 7

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Early Retirement & Normal Retirement**

Early Retirement

The language below modifies Article 19 for a period of twenty-four (24) months from the date of ratification of this Agreement.

Retirement pay will be provided, at the employees hourly rate of pay times seventy-five (75) hours, in addition to the retirement pay provided for in Article 19.

In addition, thirty-seven and one-half (37.5) additional hours shall be paid for each five (5) years of completed service, up to a maximum of twenty (20) years.

Normal Retirement

The language below modifies Article 20 for a period of twenty-four (24) months from the date of ratification of this Agreement.

An employee who retires on his normal retirement date will be provided with a retirement bonus equivalent to his hourly rate of pay times fifty (50) hours, in addition to the retirement pay provided for in Article 20.

In addition, thirty-seven and one-half (37.5) additional hours shall be paid for each five (5) years of completed service, up to a maximum of fifteen (15) years.

This language is applicable to Article 19 and 20 for a twenty-four (24) month period as long as notice of retirement and retirement date falls within the twenty-four (24) month window referred to above.

The Parties agree to review this Letter of Understanding for possible extension after twenty-four (24) months.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 8

Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Terminated and Laid Off Employees at Date of Ratification

Employees on layoff at the date of ratification of Collective Agreement No. 14 (the “Ratification Date”) shall have the recall rights outlined in Article 9, calculated from January 1, 2013.

Employees who were terminated without cause under the former Article 13 in 2012, and who repay the severance pay that they received within twenty (20) weeks after the Ratification Date, shall be placed on layoff status and shall have the recall rights outlined in Article 9, calculated from January 1, 2013.

Employees on layoff at the Ratification Date, and employees who were terminated without cause in 2012 and who repay their severance pay as described above, may subsequently resign and claim severance pay at the times described in Article 9, and in addition may resign and claim severance pay at any time within thirteen (13) weeks after the Ratification Date.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 9

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Weekend Shift**

There may be exceptional circumstances where working the weekend shift is required within a functional area. In such cases, the following Letter of Understanding shall modify the terms and conditions of Article 16.10:

- a) The Company will meet with Shop Committee to discuss the terms of the job or contract requiring weekend shift.
- b) When a weekend shift is required in a given functional area, the Company will first seek to staff the shift with volunteers.
- c) The weekend shift shall be staffed on a voluntary basis for all employees who are not laid off at the date of ratification.
- d) New employees or employees who are laid off at date of ratification may be required to work weekend shift. Active employees who maintain recall rights within a classification that is being recalled shall not be required to work the weekend shift; in such cases the Company shall be permitted to bypass them in a recall if the requirement is for a weekend shift employee. Assignment to the shift will be made by reverse classification seniority. The principle of shift rotation will apply by reverse classification seniority on the weekend shift at three (3) month intervals.
- e) Employees required to work the weekend shift will receive seven (7) days advance notification of shift change.

All other terms and conditions of the weekend shift shall be in accordance with the Collective Agreement.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 10

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Pension Plan Review**

The Company and the Union agree to review Pension options during the twelve (12) month period following ratification of the Collective Agreement. Options to be considered shall include the following:

- a) Implementing a Union Pension plan in conjunction to the RRSP program b)
Implementing a Union Pension plan that replaces the RRSP program
- c) Making no changes or additions to the current RRSP

Any changes must be ratified by a majority of the Union members in the Bargaining Unit. The election of option a, b, or c above shall be at the sole discretion of the Union bargaining members.

If the bargaining unit does not agree to implement a or b above, the present RRSP program shall remain in place.

In the event that Option a or b is selected, there shall be no additional costs or administrative responsibilities beyond the current expenditures and financial obligations outlined in Article 26 of the Collective Agreement.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 11

Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Occupational Health Consultant

Within three (3) months of date of ratification of Collective Agreement No. 14, the parties agree to meet with and mutually select an Occupational Health assessment provider. The parties will mutually agree on the services that will be provided. It is agreed that Occupational Health assessment may require input from an independent physician.

Occupational Health assessments are primarily intended to be used for employees who have made accommodation requests. They may be used for other situations by mutual agreement between the Union and the Company.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 12

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Overtime Equalization System**

Within six (6) months of ratification of Collective Agreement No. 14, the Company agrees to establish and implement an overtime offer and tracking system for all functional areas. The Company and the Union shall meet to discuss the design of an appropriate system. Failing agreement, the Company shall have the responsibility for the design and implementation of the plan.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 13

**Avcorp Industries Inc.
And
IAM & AW Northwest District 250
Subject: Tool Replacement**

The Company will determine tool requirements and provide all tools.

The Company will reimburse Machinists, Millwrights and Toolmakers for the value of personal tools that have been authorized for use by the Company and have been worn out or broken. The employee will submit an invoice to the Company for approval and payment.

To be eligible for tool replacement, an employee must provide the Company with the worn or broken tool, a list of their tools not supplied by the Company but required for their work, verified by a management representative in authority.

Missing tools will not be replaced by the Company.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer

LETTER OF UNDERSTANDING NO. 14

Avcorp Industries Inc.

And

IAM & AW Northwest District 250

Subject: Article 6.4 (a) – Mechanic / Composites Transition

It is agreed that employees in the Mechanic and Composite Fabrication classifications may participate in on-the-job training and perform tasks in either classification.

It is further agreed that until the dovetailing process is finalized, the existing classification and Company seniority lists shall remain in force and shall be used to administer the Collective Agreement as though the classifications are completely separate.

The following terms and conditions shall apply:

1. All employees shall retain their classification/wage progression.
2. Employees may be assigned to any work within the alternate classification, provided that no employee in that classification is laid off.
3. Where layoffs are necessary, they shall be conducted in accordance with the previous classifications under Collective Agreement No. 13.
4. Classification seniority shall be retained in the previous classifications, until such time as all laid off employees in both classifications have been recalled to work.
5. When all employees in the respective classifications have been recalled to work, dovetailing shall be finalized.
6. When dovetailing is finalized, all employees with frozen seniority in the Composites Fabricator classification shall have such frozen seniority dovetailed into frozen seniority within the Mechanic classification.
7. When dovetailing is finalized, existing Mechanics with frozen seniority in composites shall have their total seniority dovetailed.
8. The Composite Fabrication Chargehand shall be grandfathered for the duration of Collective Agreement No. 14, during which time he shall continue to supervise composite fabrication functions.

Signed on this _____ day of _____, 2013.

For the Union

For the Employer
