

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280
(PRODUCTION WORKER SECTION)**

**ELLETT INDUSTRIES LTD.
PRODUCTION AGREEMENT**

**ELLETT INDUSTRIES LTD.
1575 KINGSWAY AVENUE
PORT COQUITLAM, B.C.
V3C 4E5**

JUNE 1, 2010 – APRIL 30, 2013

AGREEMENT

The Collective Agreement named for reference the **ELLETT INDUSTRIES LTD. PRODUCTION AGREEMENT** and dated the 1ST day of June 2010.

BY AND BETWEEN:

ELLETT INDUSTRIES LTD.
1575 Kingsway Avenue, Port Coquitlam, B.C. V3C 4E5

Hereinafter referred to as "the Company" or "the Employer",

PARTY OF THE FIRST PART

AND:

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION,
LOCAL UNION NO. 280 on behalf of its PRODUCTION
WORKER SECTION**

Hereinafter referred to as "the Union",

PARTY OF THE SECOND PART

establishes by mutual consent the following terms and conditions:

ARTICLE 1 - HIRING AND UNION SECURITY

- 1.1 The Union shall be the sole bargaining authority for all employees covered by this Agreement and it is agreed that all present and future employees coming under the scope and provisions of this Agreement shall become members of and/or maintain membership in the Union.

All new employees shall be informed of this Section. Union membership will be available to all on an equal basis without discrimination, subject only to the By-Laws and Constitution of the Union.

- 1.2 The Employer agrees to require membership in the Union as a condition of hire and continued employment.
- 1.3 All employees covered by this Agreement must be cleared by referral slip through the office of Local Union No. 280 before being hired. A referral slip must contain the employee's name, category **and** rate of pay. Outside the Lower Mainland of B.C., this may be accomplished either through an "Area Dispatcher", so appointed by the Union, or by a responsible Shop Steward where no Area Dispatchers have been appointed.
- 1.4 In the event that the Union is unable to supply the Employer with qualified men within forty-eight (48) hours, the Employer shall have the right to employ any available qualified men, provided, however, that all provisions of Section 1.2 and 1.3 are complied with.
- 1.5 Should, during the life of this Agreement, the Certificate of Bargaining Authority be varied so as to include employees other than those categorized in Schedule "A", then within one (1) month of notice from either Party, the Parties hereto shall negotiate suitable job descriptions and wage rates for such additional categories and/or employees.
- 1.6 The purpose of this Agreement is to stabilize the industry, and to promote peace, harmony and good relations between Employer and employees, to facilitate the peaceful adjustment of all disputes and grievances, to prevent strikes, lockouts, waste, expense, avoidable and unnecessary delays in the business of the Employer.

ARTICLE 2 - FUNDS

- 2.1 Both Parties signatory to this Agreement agree that payments into any Fund covered by this Agreement must commence at the time of hiring of any person covered by the scope of this Agreement, regardless of whether or not such person is in a probationary period.
- 2.2(a) In the event that the Employer's Remittance is late arriving at the **Union** In-Trust Desk after the 15th day of the month, as post marked, a twenty-five dollar (\$25.00) assessment (fine) shall be levied and paid by the delinquent Employer.

ARTICLE 2 - FUNDS (continued)

- (b) In the event that the Employer should be in default in any payment to be made to the Union **In Trust Desk**, pursuant to the terms of this Agreement and including without restriction, Pension Funds, Welfare Funds and Remittance of Dues Check-Off, the Employer agrees to bear all costs of collecting such monies including legal fees, and further agrees that all accounts in this regard shall bear a two percent (2%) per month penalty until they are paid.
 - (c) An Employer will be considered in default if payment to any fund covered by this Agreement is not paid by the twenty-fifth (25th) day of the month following the month that contributions cover.
- 2.3 Prior to any action taken by the Union to collect funds from the Company in default, said Company must be notified by the **Union**. Should the Company remain in default, the Union shall take such action as it deems necessary and the conditions of Section 2.2 of this Article shall apply.
 - 2.4 Subject to the foregoing provision, the Union shall withdraw existing employees and shall refuse to refer prospective employees to such defaulting Employer and such action shall not be deemed to be a violation of the terms of this Agreement.
 - 2.5 In the event any person subject to this Agreement has a claim for benefits under the **Health Benefit** Plan refused as a result of an Employer's default in payments, such Employer shall be liable for an amount equal to said claim, plus such costs as the Trustees of this Plan may determine.
 - 2.6 Should the Trustees of any Fund covered by this Agreement wish to check payments by an Employer, such Employer must open his books to a Chartered Accountant appointed by the Trustees.

ARTICLE 3 - UNIFIED REMITTANCE OF FUNDS

- 3.1 All funds and check-off payments shall be recorded and itemized on a Unified Remittance Form. This form shall be supplied by the Union and shall make provisions for the listing of each employee's name, Social Insurance Number, number of hours earned.
- 3.2 All funds and check-off remittances shall be consolidated into one cheque payable to "Sheet Metal Workers Local 280 - In Trust".
- 3.3 It is understood that all Fund Contributions are over and above wages called for and may be subject to taxation as levied by either Provincial or Federal Statutes. Dues check-offs are deductions from wages.
- 3.4 Hours of employment as outlined in Fund Clauses include equivalent hours for holidays and vacations.

ARTICLE 3 - UNIFIED REMITTANCE OF FUNDS (continued)

- 3.5 If the Employer has no employees during a given month, he shall submit a "nil" report unless it is clearly understood by all Parties that he has declared himself out of business.

ARTICLE 4 - RESERVATIONS

- 4.1 The Company reserves the exclusive right to manage the business, to decide the products it will manufacture, the methods by which the work will be done and the standards of workmanship.
- 4.2 Within the framework of this Agreement, the Company reserves the right to engage, discharge, suspend or discipline employees for just cause, to promote, demote, or transfer employees from one department to another, to increase or decrease the working staff, to make rules for the safety of the plant and for the guidance and safety of its employees. Any employee demoted who feels that he has been unjustly dealt with shall have the right to exercise the grievance procedure as provided for in this Agreement.
- 4.3 Employees shall not be required to cross a legally established picket line of any bona fide Trade Union.
- 4.4 There shall be no sub-contracting or contracting out of any maintenance work without prior discussions with the Shop Stewards.

ARTICLE 5 - REPRESENTATION

- 5.1 There shall be a **Shop** Committee established consisting of a maximum of three (3) from Management and three (3) from Plant Union members **to be the three (3) Shop Stewards**. The Union shall keep the Company advised of the names of the Union members on the Committee. **The Shop Stewards shall be** appointed by the Business Manager.
- 5.2 The Shop **Stewards** shall be recognized **by the employer** and shall not be discriminated against **for the performance of their duties within this agreement**. Business Representatives of the Union shall be allowed access to the shop during lunch hours; however, the Union agrees that there will be no solicitations of any employees either by the Business Representatives or Shop Stewards for Union membership or payment of dues or for any other Union matter during working hours.
- 5.3 The appointed Chief Shop Steward will be given special dispensation of lay-off provided there is work available for which he has the skill and ability. The Company agrees that when a Shop Steward is to be laid off, transferred, or discharged, the Union will be notified by letter prior to the move taking place.
- 5.4 Two (2) Bulletin Boards spotted at proper locations throughout the plants shall be made available by the Company for the exclusive use of the Union for the posting

ARTICLE 5 - REPRESENTATION (continued)

of this Agreement, Seniority Lists, and other Union notices deemed important to the members.

- 5.5 Any employee joining the full time staff of Local Union No. 280 shall be granted a leave of absence for one term of office with the union without loss of seniority and job position.

ARTICLE 6 - CO-OPERATION

- 6.1 Both Parties agree that it is desirable that from time to time, Shop Committee meetings be held to discuss matters of mutual concern and interest, to iron out differences of interpretation of the Agreement, to promote Safety and Health, to investigate and submit recommendations on all aspects of automation, mechanization, and new methods, and to act, if desired, as a Production Committee, as both Parties commit themselves to the fullest co-operation in maintaining efficient and uninterrupted production in plant of the Employer. It is hoped that a combined effort involving Shop Committeemen will result in implementation of suggestions that will have a positive outcome.
- 6.2 Such meetings shall be held as desired by either the Committee Chairman or Management, and shall consist of the Committeemen, **and others** and the Business Representative of the Union if able to attend. It is understood that to be most effective, Management and Shop Committee meetings must be held a minimum of once every 3 months. The meetings should start at 2:00 p.m. to allow for approximately 1.5 hours for discussions to take place.
- 6.3 In view of the possible impact on manpower and conditions of employment resulting from technological changes and automation, it is agreed that the Parties hereto utilize to the best advantage of the Company and the employees, all scientific improvements and establish a committee to be known as the Committee on Automation, consisting of equal representation by Employer and the Unions. The Committee's duties shall be to investigate and submit recommendations on all aspects of automation, mechanization, and new methods, and to include the following:

training and retraining
alternate employment opportunities within the Company

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

In addition, the Company will co-operate with the Unions and the Government in matters of training and retraining.

ARTICLE 6 - CO-OPERATION (continued)

Both parties further agree to any further requirements stated in the Labour Relations Code on Technological Change.

The above Committee on Automation shall be the Shop Committee as defined in Article 6.1.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.1 "Grievance" shall mean any difference or controversy between the Parties bound by this Collective Agreement concerning its terms, interpretations, application, operation or alleged violation. It shall further mean differences concerning alleged unjust discharge or violation of existing social or labour legislation. It is recognized that "the Parties" shall be defined as follows:
- A. Party of the First Part - Ellett Industries Ltd. and its Officers and Management Personnel.
 - B. Party of the Second Part - Sheet Metal Workers Local 280, and all members thereof employed by Ellett Industries Ltd.
- 7.2 Attempt shall be made in the first instance to settle all grievances by informal discussion between the Parties hereto. Except in the case of wage claims or claims on fund payments, all grievances shall be first presented within thirty (30) days or judged to be abandoned. (Except also that in the case of a grievance involving disciplinary action, the thirty (30) days shall be ten (10) days.)
- 7.3 Should informal discussion fail to achieve a solution, either Party may invoke a Shop Committee meeting. The joint meeting shall meet within three (3) days and attempt to find a solution agreeable to all Parties. Should this or the aforementioned method fail, the grievance may be referred to an Arbitration Board by either Party.

ARTICLE 8 - ARBITRATION

- 8.1 The Party desiring Arbitration shall appoint a member for the Board and shall notify the other Party in writing of its appointment and the particulars of the grievance in dispute.
- 8.2 The Party receiving the notice shall within five (5) days, appoint a member to the Board and shall notify the other Party of its appointment.
- 8.3 The two (2) Arbitrators so appointed shall confer to select a third Party to be Chairman and failing, for five (5) days from their appointment to agree upon a person willing to act, either of them may apply to the Minister of Labour for the Province of British Columbia to appoint a Chairman.

ARTICLE 8 – ARBITRATION (continued)

- 8.4 The Arbitration Board shall hear the Parties, settle the terms of the question to be arbitrated, and make its award within fifteen (15) days of appointment of a Chairman, except when the time is extended by the Agreement of the Parties. The Board shall deliver its award, in writing to each of the Parties and the award of the majority of the Board shall be final and binding on the Parties and shall be carried out forthwith.
- 8.5 Each Party shall pay their own costs and expenses of the Arbitration, the remuneration and disbursements of their appointees and one-half (1/2) the expenses of the Chairman.

ARTICLE 9 - HOURS OF LABOUR

9.1 Hours of Work:

If continuous shifts are established due to the productivity scheduling during the regular work week Monday to Friday, employees on the second shift shall revert to alternate shift hours to accommodate the work required.

Regular Shift - Monday to Friday - 7:00 a.m. to 11:30 a.m.
- 12:00 noon to 3:30 p.m.

Second Shift - Monday to Thursday - 3:30 p.m. to 1:30 a.m.

Third Shift - Monday to Friday - 11:30 p.m. to 7:00 a.m.

Alternate Shift Hours:

Second Shift - Monday to Friday - 3:30 p.m. to 11:30 p.m.

- 9.2 On the provision of seven (7) days' notice, a maintenance crew may work a Tuesday to Saturday work week as follows: Five (5) consecutive eight (8) hour day shifts, Tuesday to Saturday shall constitute the regular work week of this shift. Every fifth (5th) Saturday shall be a day off with full pay for all members of the shift. Sundays and Mondays shall be regular consecutive days off for this shift and any work performed on these days off shall be paid at overtime rates and conditions as provided for in this Collective Agreement. However, the employee may have an alternate day off other than the regular consecutive days off. The timing of such days shall be by the mutual consent of the Company and the employee involved.

ARTICLE 10 - COFFEE OR REST BREAKS

- 10.1 Employees shall be granted once in the first half shift and once in the second half shift a coffee or rest break not to exceed ten (10) minutes duration. The specific time period of the breaks shall be mutually agreed upon.

ARTICLE 11 - OVERTIME

11.1 All hours worked outside the regular work day and all hours worked on Saturdays, Sundays and Statutory Holidays, except for a maintenance crew working on a Tuesday to Saturday shift as provided for in paragraph 9.2, shall be considered as overtime, except as noted in Article 14 - Shift Work.

11.2 Overtime rate shall be calculated as follows:

Regular Shift - for each hour worked, two hundred percent (200%) of the appropriate regular shift rate.

Second Shift - for each hour worked, one (1) hour at the second shift rate and one hour at the regular shift rate.

Third Shift - for each hour worked, one (1) hour at the third shift rate and one hour at the regular shift rate.

11.3 When overtime is worked after completion of a regular shift, employees shall be granted the following paid break periods:

- A. Where overtime to be worked is two (2) hours but less than four (4) hours, one ten (10) minute break is to be included as time worked.
- B. Where overtime to be worked is four (4) hours, one thirty (30) minute lunch break paid as straight time and excluded from time worked in addition to (A).
- C. Where overtime to be worked is more than four (4) hours, one thirty (30) minute lunch break paid at double time and excluded as time worked in addition to (A).
- D. Succeeding hours of overtime to be worked is six (6) hours and beyond. Article (A), (B), and (C) will be applicable.
- E. Overtime and outside work will be distributed as equally as possible. The Company retains the right to determine the qualifications required for each specific job.

11.4 Banked Overtime

- A. Individual employees shall be entitled to bank all overtime provided, however, they declare their intention prior to June 30 in any year. Such declaration shall be irrevocable until all banked time has been expended or until March 1 of the following year, whichever comes first.
- B. For each overtime hour worked, the employee shall be entitled to one (1) hour straight time, one (1) hour banked.

ARTICLE 11 - OVERTIME (continued)

- C. In a one (1) year period, each employee shall bank no more than eighty (80) premium hours, for which he shall receive a maximum of two (2) weeks off with pay at one hundred percent (100%) of his effective wage rate, at time overtime was worked.
- D. Subject to operational requirements, employees may seek approval to use their banked time in conjunction with their annual vacations. If banked time is not taken in conjunction with the annual vacation, the time off shall be taken each year as arranged between the employee and the Company.

ARTICLE 12 – STATUTORY AND RECOGNIZED HOLIDAY PAY

12.1 The Statutory and recognized Holidays shall be:

New Year's Day	Friday Before Labour Day
Good Friday	Labour Day
Easter Monday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
B.C. Day	Boxing Day
	Heritage Day

Any Statutory Holidays, subsequently declared by the Federal or British Columbia Provincial Governments, will replace existing Non-Statutory recognized Holidays named in this Article. The Company will consult with the Shop Committee to arrive at a mutually acceptable agreement when deciding which Non-Statutory Holiday will be changed to a Government Statutory Holiday.

If a Statutory Holiday(s) should fall on a Saturday or on a Sunday the following work day(s) shall be observed.

12.2 Each and every employee shall be paid over and above his regular pay, an amount equal to 5.2% of his gross earnings on each pay day.

In the event that more than 13 statutory holidays are declared by the Federal or British Columbia Provincial Governments, 0.4% shall be added to the Gross earnings for each holiday.

ARTICLE 13 - ANNUAL VACATIONS

13.1 All employees shall receive annual vacations. The timing of such vacations shall be by mutual consent of the Company and the employees involved.

13.2 From the first year to the completion of the second year, the employee will be paid four percent (4%) of Gross Earnings for two (2) weeks annual vacation.

ARTICLE 13 - ANNUAL VACATIONS (continued)

- 13.3 From the beginning of the third year to the completion of the sixth year of service, the employee will be paid six percent (6%) of Gross Earnings for three (3) weeks annual vacation.
- 13.4 From the beginning of the seventh year to the completion of the thirteenth year of service, the employee will be paid eight percent (8%) of Gross Earnings for four (4) weeks annual vacation.
- 13.5 From the beginning of the fourteenth year to the completion of the twenty-second year of service, the employee will be paid ten percent (10%) of Gross Earnings for five (5) weeks annual vacation.
- 13.6 Employees who have completed twenty-two years of service shall be paid twelve percent (12%) for six (6) weeks annual vacation.

For the purpose of determining length of service under this Article the Company shall prepare a Vacation List from its records setting out the length of service of its employees. The length of service of an employee at Ellett Copper & Brass, Elco Manufacturing Co. Ltd., and Ellwood Properties Ltd. shall be included in the calculation of length of service.

Article 22.1 and 22.2 of this Collective Agreement pertaining to the Bargaining Unit Seniority List shall apply to the preparation and application of the Vacation List.

- 13.7 It shall be the option of the employee to receive all annual vacation pay accrued to May 31st, provided that a minimum of one (1) weeks' vacation is taken.

It shall be a VIOLATION of this Agreement for any employee to forego his paid vacation or work for wages during the vacation period.

- 13.8 Employees laid off or sick or otherwise having worked less than a full year shall have the choice between taking the full time off as per vacation list, or only the portion earned from actual time worked with overtime counted as straight time. Annual vacation will be taken within one (1) year of the end of the twelve (12) month period in which the vacation was calculated (June 1st to May 31st) except by written agreement.
- 13.9 The company will allow vacation days and pay to be withdrawn, on an earned basis, prior to the start of the next vacation period of June – May 31.

ARTICLE 14 - SHIFT WORK

- 14.1 If it is found necessary to work second or third shifts, shift premiums shall be paid at the rate of one hundred and twelve percent (112%) and one hundred and twenty percent (120%) of the appropriate base wage rates respectively. Time worked may be seven and one-half (7 1/2) hours for the second shift or nine and one-half (9 1/2) hours and seven (7) hours for the third shift.

ARTICLE 14 - SHIFT WORK (continued)

- 14.2 In the event, as outlined above, that hours worked on shift work are less than eight (8), it is agreed that Welfare and Pension Fund payments shall be paid on the basis of a full eight (8) hour shift.
- 14.3 If it is found necessary to arrange shifts to conform with a continuous production schedule, the matter shall be taken up with the Shop Committee and the Business Representative of the Union.
- 14.4 If it is found necessary to transfer an employee from one shift to another, a period of at least one shift must elapse between the shift worked. At least forty-eight (48) hours notice shall be given employees of intention to change said employees from one shift to another.
- 14.5 A maximum of four (4) weeks shall constitute an afternoon or midnight shift. However, those employees wishing to remain beyond the maximum shall be entitled to do so.
- 14.6 It is mutually agreed by the Parties that all employees shall be at their place of work at the start of each shift and not leave their work without just cause before the shift ends. To allow for clothes changing, cleanup, making out of time cards, the Company will blow a warning whistle five (5) minutes before the shift end. The Company asks that all employees continue productive work until the sounding of the five (5) minute warning whistle and not punch out until the actual shift ends.
- 14.7 For purpose of communication, employees requested by Management will be paid to a maximum of thirty (30) minutes at straight time before or after a shift. A Charge Hand will be appointed on each shift.

ARTICLE 15 - HEALTH BENEFITS PLAN

- 15.1 It is understood by both Parties that payments on behalf of all employees covered under this Agreement will be in accordance with the terms of the Standard Sheet Metal Agreement.
- 15.2 These monies will be remitted to the **Union In Trust Desk** by the fifteenth (15th) day of the month following that which contributions cover, in the manner provided by the Unified Remittance Form.
- 15.3 The Health Benefits Fund will provide benefits to employees and participating Employers who become eligible on a schedule to be determined by the Trustees.

ARTICLE 16 - PENSION PLAN

- 16.1 It is understood by both Parties that payments on behalf of all employees covered under this Agreement will be in accordance with the terms of the Standard Sheet Metal Agreement.

ARTICLE 16 - PENSION PLAN (continued)

- 16.2 These monies will be remitted to the **Union In Trust Desk** by the fifteenth (15th) day of the month following that which contributions cover, in the manner provided by the Unified Remittance Form.
- 16.3 If SMACNA employees decide to contribute additional monies to their Pension Fund, and such monies are paid for by the employees, this same arrangement will be in force for the employees of Ellett Industries Ltd.

ARTICLE 17 - TOOLS

- 17.1 All hand tools required for the proper and efficient carrying out of the work of the plant shall be supplied by the Company. This shall include all equipment required in welding.
- 17.2 Tools (not production line tools) may be supplied by the Company to individual employees as required on a "Kit" basis. The employee may be held responsible for reasonable care of such replacement of damaged and worn tools. All tools so supplied shall have identification markings.
- 17.3 All employees whose normal duty is to work outside in the yard shall be individually supplied with wearing apparel, i.e., Rain Jacket, Rubber Boots, Hard Hat and Rubber Gloves.
- 17.4 A maximum payment to each and every employee once a year of one hundred dollars (\$100.00) for the purchase of regulation safety boots or shoes as per W.C.B. requirements. New employees to be paid the maximum payment at commencement of employment; however, if duration of employment is less than six (6) months the one hundred dollars (\$100.00) will be refunded to the Company.
- 17.5 Quality and proper sized coveralls shall be supplied and paid by the Company.
- 17.6 Damaged prescription safety lens will be replaced once per year to a maximum of one hundred dollars (\$100.00) after the Union benefit has been utilized.

ARTICLE 18 - OUT-OF-TOWN JOBS

- 18.1 As per Standard Sheet Metal Workers' Agreement.

ARTICLE 19 - JOB COMMUTING TIME

- 19.1 As per Standard Sheet Metal Workers' Agreement.

ARTICLE 20 - USE OF CAR AND EXPENSES

20.1 As per Standard Sheet Metal Workers' Agreement.

ARTICLE 21 - CLASSIFICATION AND WAGES

- 21.1 The various employee classifications with appropriate wage rates shall be as shown under Schedule "A" forming part of this Agreement.
- 21.2 The parties mutually agree that the Company is not expected to pay wages in excess of the wage rates shown in Schedule "A" nor is it expected to pay any sort of bonus.
- 21.3 It is agreed by the Company that no employee of the Company employed prior to the effective date of this Agreement shall suffer a reduction in wages as a result of its being made effective.
- 21.4 The Company will distribute pay cheques at the end of the various shifts every other Thursday, exception of third shift to be Friday morning.
- 21.5 The Company will clearly show all hourly earnings of straight time, overtime and outside work on the vacation pay cheque stub at time of vacation, termination, or layoff.

ARTICLE 22 - BARGAINING UNIT SENIORITY CLAUSE

- 22.1 Employees who have been in the Company's employ for less than ninety (90) working days, shall be considered probationary employees and shall have no seniority. After completion of said probationary period, the seniority of the employee concerned shall be backdated ninety (90) working days.
- 22.2 An employee will lose seniority for the following reasons:
- (a) Voluntarily leaves the employ of the Company;
 - (b) Is discharged and is not reinstated pursuant to the provisions of the Collective Agreement;
 - (c) Failure to report back to work within five (5) days of notification of return to work unless failure to return proved to be unavoidable; any employee with seniority standing, when recalled for work, shall have the right to compare the length of work involved with his present employment to decide on a bypass; after bypassing the work call once, the employee shall lose his seniority standing if he does not come in on the next call, and if and when rehired, he shall be treated as a new employee;
 - (d) Exceeding leave of absence except for legitimate cause;

ARTICLE 22 - BARGAINING UNIT SENIORITY CLAUSE (continued)

- (e) **Employees with less than sixty (60) months of service, after being laid off, shall have a seniority retention period of twelve (12) months from the date of layoff.**
 - (f) **Employees with more than sixty (60) months of service, after being laid off, shall have a seniority retention period of eighteen (18) month from the date layoff.**
- 22.3 Leave of absence shall mean an absence from work requested by the employee and consented to by the Company in writing covering a specific period of time. Leave of absence shall not be granted to an employee seeking seasonal work or if annual holidays not taken.
- 22.4 The Company shall prepare Seniority Lists of the employees in the Bargaining Unit, to be revised and posted every three (3) months on two (2) bulletin boards, and a copy sent to the Union.
- 22.5 In the event of a temporary layoff, due to a breakdown of machinery or some similar situation such as failure to receive an expected delivery of materials, which layoff is not expected to last longer than twenty-four (24) hours, the employees immediately affected may be laid off temporarily and for the twenty-four (24) hour period, seniority may be ignored.
- 22.6 In all cases of layoff, transfer, upgrading, rehiring after layoff, and promotions other than appointment to supervisory positions, precedence shall be given to those employees having the greatest seniority within the bargaining unit only, provided always that the employees in question are equal in skill and ability. In order to lay off or rehire out of seniority, any difference in skill and ability must be distinct. The Company shall discuss with the Shop Committee any variation to the above prior to lay off or rehiring out of seniority in the bargaining unit.
- 22.7 Job Posting and Employee Opportunity
- When a position within the scope of the Agreement is to be filled, other than recall from layoff, a notice thereof shall be posted on the Bulletin Board in advance of such position being filled, giving present employees adequate time to sign such notice, and to apply in the Company office and show reasons why they might be considered for the position. A copy of the notice shall be given to the Chief Shop Steward before the notice is posted on the Bulletin Board. Job openings will be posted for one week. A copy of the posting will be mailed to all laid off employees.
- 22.8 If an employee accepts a job posting, the Employee or Company shall have up to sixty (60) days to decide if the Employee is suitable for position.
- 22.9 Apprenticeship opportunities will be posted.

ARTICLE 23 - JURY DUTY

- 23.1 When an employee is called for jury duty or duty as a subpoenaed Crown Witness, the Company shall reimburse such employee for the difference between his fees for such duty and his regular wage and benefits paid.

ARTICLE 24 - AMENDMENTS

- 24.1 By mutual agreement between the Parties of this Agreement, any Clause or Clauses herein may be amended or deleted, or new Clauses added during the life of the Agreement.

24.2 **Bereavement Leave**

The Company shall allow one (1) day off with full pay in the case of family bereavement of any probationary employee for the purpose of attending or arranging the funeral; three (3) days off with full pay in the case of family bereavement of any non-probationary employee for the purpose of attending or arranging of the funeral may be granted under extenuating circumstances, subject to the Management-Shop Committee deciding on the amount of time off.

This Clause shall also apply when an Employee is on vacation, but not when an Employee is otherwise removed from work. The family in this case will be considered the father, mother, son, daughter, spouse, brother, sister, grandparents, father-in-law and mother-in-law.

- 24.3 When an Employee's vacation coincides with bereavement leave, the Employee will be permitted to re-schedule those days as vacation time at a future date mutually acceptable to the Employee and the Company.


ARTICLE 25 - DURATION OF AGREEMENT

- 25.1 All provisions of this Agreement shall be effective as from June 1st, 2010 and for the period until April 30, 2013, and shall continue in force and effect from year to year thereafter, unless either Party shall desire a change and shall file notice in writing of changes within a period of four (4) months prior to May 31st in any year and the established wages, scales and conditions specified herein shall continue in force and effect pending negotiation and settlement of any proposed changes suggested by either Party.
- 25.2 It is mutually agreed that if the terms of this Agreement should be for more than one (1) year, that the provisions of Section 50 Subsections 2 & 3 of the Labour Relations Code shall be excluded from the operation of this Agreement.


IN WITNESS AND TESTIMONY of the provisions and terms mutually agreed upon and specified herein, the duly authorized Officers and/or Representatives of both Parties hereby affix their signatures:

Ellett Industries Ltd.
Name of Company


Sheet Metal Workers' International Association, Local Union No. 280
Name of Union



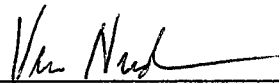
John Ellett - President



James Paquette – Business Manager
and Financial Secretary Treasurer




Geoffrey Birch – Vice President



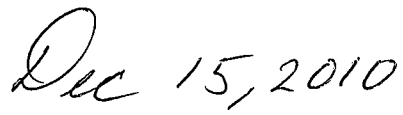
Vern Henderson - President

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART



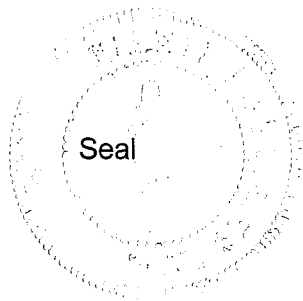
Witness



Date

Seal

Seal



SCHEDULE "A"**Section 1**

Journeyman Sheet Metal Workers) Wages, conditions as per the Standard
 Sheet Metal Worker Apprentice) Agreement of Local Union No. 280.

Description of Work

All work performed in the field shall be performed by Sheet Metal Workers and/or at the rate and conditions of the Standard Agreement. This would not apply to that work acknowledged to be in the jurisdiction field of another trade.

All Sheet Metal Workers shall be holders of the Trade Qualification Certificate issued by the Province of British Columbia.

The job classifications in Schedule "A" are not intended to portray precise or inflexible functions, or to reduce overall competitiveness.

Section 2

Industrial Fabrication Workers
 Industrial Division

Group 1

	June 1, 2010	June 1, 2011	June 1, 2012
Welders A (ASME Code)	\$32.76	\$33.25	\$33.92
Fitters A, Slab Mechanic	\$32.76	\$33.25	\$33.92
Machinist	\$32.76	\$33.25	\$33.92
Toolmaker	\$33.22	\$33.72	\$34.39
and their Apprentices			

Group 2

	June 1, 2010	June 1, 2011	June 1, 2012
Welders B, Fitters B	\$32.08	\$32.56	\$33.21
Metal Finishers, Burners	\$32.08	\$32.56	\$33.21
Tubemill Inspectors	\$32.08	\$32.56	\$33.21
Stockmen	\$32.08	\$32.56	\$33.21
Shipper and Receiver	\$32.08	\$32.56	\$33.21
Maintenance and Repairmen	\$32.08	\$32.56	\$33.21

Maintenance and Repairmen holding a valid T.Q. ticket which is applicable to his job function, to be included in Group One (1).

SCHEDULE "A" (continued)**Group 3**

	June 1, 2010	June 1, 2011	June 1, 2012
Machine Operators,	\$29.49	\$29.93	\$30.53
Metal Spinners,	\$29.49	\$29.93	\$30.53
Passivators, Polishers,	\$29.49	\$29.93	\$30.53
Tinners, Truck Driver	\$29.49	\$29.93	\$30.53

Group 4

Helpers, Grinders

	June 1, 2010	June 1, 2011	June 1, 2012
Start	\$21.82	\$22.15	\$22.59
After six months	\$22.97	\$23.31	\$23.78
After twelve months	\$24.25	\$24.61	\$25.11
After eighteen months	\$25.29	\$25.67	\$26.18

Helpers will be purely Labour, Assistant or Grinder category and not perform any of the functions of the specialists of Group One (1), Group Two (2) or Group Three (3).

Group 5

	June 1, 2010	June 1, 2011	June 1, 2012
Tool Crib Attendant	\$28.69	\$29.12	\$29.70
Janitor and Clean-up Men	\$22.28	\$22.61	\$23.06
Tubemill Machine Operators	\$23.09	\$23.44	\$23.91

Improver Programme

Helpers after attaining the eighteen (18) month rate shall receive a twenty cent (\$0.20) increase every three (3) months until Group 3 rates are reached. Upon reaching the Group 3 rates the increase will be a ten cent (\$0.10) increase every three (3) months until Group 2 or 1 rates are reached. This will be considered an incentive programme for **training the specialists of Group 3, 2 and 1**. This will be subject to the Company's right to inform an employee and the Union at any time in writing that his particular rate of the moment shall be frozen, in which case the employee shall revert to his former category and shall not perform any of the functions of these specialists.

Nothing above shall limit the right to the Company to indenture on the basis of "one to four", properly registered Welding Apprentices and Machinist Apprentices under the terms of the Apprenticeship Act. Welding Apprentices and Machinist Apprentices shall have their pay prorated on Group 1.

Starting rate for Apprentice chosen from helpers will be fifty percent (50%) of the rate in Schedule "A" (Group 1 or Sheet Metal Journeyman).

SCHEDULE "A" (continued)**Description of Work**

Custom fabrication of heavy sheet and plate metal fittings, tanks, etc., not normally considered the work of the Sheet Metal Worker, and according to the usual custom of the shop.

Lead Hands and Charge Hands belonging to and coming from the ranks of persons covered by this Schedule shall receive respectively seven percent (7%) and twelve percent (12%) above scale.

A letter will be posted on the Bulletin Board advising the names of Charge Hands and Lead Hands.

Qualified First-Aid Men so designated by the Employer shall receive the following premiums above scale:

Level Three Ticket	\$0.95
Level Two Ticket	\$0.95
Level One Ticket	\$0.60

Maintenance and Repairemen, Machinists, Toolmakers and their Apprentices shall each receive one hundred and twenty-five dollars (\$125.00) per year for a Tool Allowance.

Charge Hand - Is an employee who is assigned to instruct others in the performance of their work, and who may be held responsible for quantity and quality of the work.

Lead Hand - Is an employee who is able and willing to instruct others in the performance of their work or who, because of exceptional skill and ability or the nature of the work, is so recognized by the Company.

SAFETY AND HEALTH

It is agreed by both Parties that where conditions of plant clean-up, area ventilation and wash-up and lunchroom facilities are such that an improvement is desired, then the Management-Shop Committee will inspect said conditions and remedial action by the Company shall be taken.

It is also agreed that the inspections and such major remedial action as is necessary shall be carried out within a one (1) month period immediately following the meeting said complaint was lodged.

The Factories Act will be used as guidelines where no agreement can be reached at the Management-Shop Committee meetings.

There shall be an Accident Prevention Committee of no less than six (6) persons set up to meet regularly and no less often than once a month. The Shop Representatives shall be elected by the employees and this Committee will abide by Workers' Compensation Board Regulations in any cases where Committee agreement on safety conditions and/or

SCHEDULE "A" (continued)

regulations cannot be resolved. The Committee shall be based on equal representation of Employer and employee delegates.

An employee injured in the first part of the shift shall be paid four and one-half (4 1/2) hours. First part of shift will be starting time to lunch break. An employee injured in the second half of the shift shall be paid eight (8) hours provided certificate is received from a Doctor stating that he is unable to return for remaining time on the second part of the shift.

DEDUCTION OF BASIC DUES**Basic Dues****(A) Union Dues**

The Company agrees to deduct each month from the earnings of each and every employee covered by this Agreement, such sum by way of monthly dues as may be fixed by the Union, or such sum as payment or partial on an Initiation Fee as may be fixed by the Union under the provisions of its Constitution.

The total monthly amount to be deducted shall be deducted from the first pay of the month of each employee and promptly remitted to the Union by the fifteenth (15th) day of the following month, together with an itemized list of the names of the employees to whom said monies are to be credited. Should any employee have no earnings due him on the first pay of the month, deductions shall be made from the next succeeding pay of the employee.

APPENDIX "D"

The Company agrees that it will continue to employ at least two Sheet Metal Journeymen. If the volume of work requiring Sheet Metal Journeymen changes either up or down, then a Committee of four (4), two (2) from Management and two (2) from the Union will consider the number of Journeymen required and attempt to reach an equitable agreement.

It is agreed that all major layout work in the Industrial Division will be done by the Sheet Metal Journeymen. Major layout work shall include layout work on the flat for development of patterns on the material.

The above work shall not include layout work on formed tanks, or minor small fittings, nozzles or repetitive jobs which do not require major layout skills. This is to be regarded as minor layout work and to be done by Fitters.

LETTER OF UNDERSTANDING – NO. 1

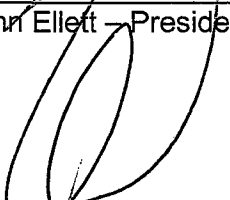
If the combined cost of the Health Benefits Fund and the Pension Plan Fund increases over the current contributions on **June 1st, 2010** the Company will be responsible for a maximum additional payment of **forty eight (\$0.48)** cents for the duration of this agreement.

Ellett Industries Ltd.

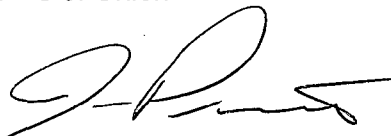

Name of Company



John Ellett – President


Geoffrey Birch – Vice President**Sheet Metal Workers' International
Association, Local Union No. 280**

Name of Union

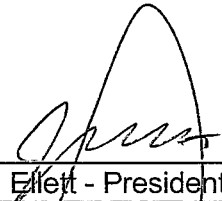
James Paquette – Business Manager
and Financial Secretary Treasurer
Vern Henderson - President

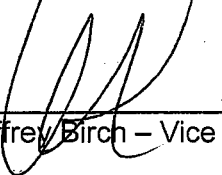
LETTER OF UNDERSTANDING – NO. 2

It is understood that during the term of this agreement, June 1st, 2010 to **April 30, 2013** Article 16 can be re-opened at the request of the majority of the bargaining group.

The Parties listed below accept this memorandum of Agreement.


Ellett Industries Ltd.
Name of Company

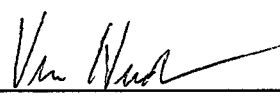

John Ellett - President


Geoffrey Birch – Vice President

Dec 8, 2010
Date

Sheet Metal Workers' International Association, Local Union No. 280
Name of Union


James Paquette – Business Manager and Financial Secretary Treasurer


Vern Henderson - President

Dec 15, 2010
Date

