

COLLECTIVE AGREEMENT

BETWEEN

ARMTEC LTD.

AND

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED
INDUSTRIAL AND SERVICE WORKER'S INTERNATIONAL UNION (UNITED STEELWORKERS)
ON BEHALF OF LOCAL UNION 2009**

March 1, 2012 – February 29, 2016

cope-343
errors & omissions excepted

COLLECTIVE AGREEMENT

BETWEEN: ARMTEC LTD.

(HEREINAFTER REFERRED TO AS THE "COMPANY")

Covering certification for the Armtec Ltd. Plant located in Prince George, British Columbia.

OF THE FIRST PART

AND: UNITED STEELWORKERS (On behalf of Local 2009)

(HEREINAFTER REFERRED TO AS THE "UNION")

OF THE SECOND PART

WITNESSTH: WHEREAS it is the intent and purpose of the Parties hereto that this Agreement will promote and improve industrial and economic relationships between the Company and the Union, and to set forth herein the basic Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the Parties hereto.

ARTICLE 1 - BARGAINING AGENCY & RECOGNITION

- 1.01** The Company recognizes the Union as the sole and exclusive bargaining agency for its employees as defined in Article 2 - Definition of Employee, for the purpose of collective bargaining with respect to rates of pay, hours of employment and all other working conditions and conditions of employment.
- 1.02** Persons whose regular jobs are not in the bargaining unit shall not work on any jobs which are included in the bargaining unit except for purpose of instruction and experimentation.

ARTICLE 2 - DEFINITION OF EMPLOYEE

- 2.01** The term "employee" as used in and for the purpose of this Agreement shall include all employees of the Company, except those employees specified in 2.02 hereof.
- 2.02** The foregoing section of this Article shall not apply to office staff, salesmen and supervisory officials including and above the rank of foreman.

ARTICLE 3 - MANAGEMENT

- 3.01** The management and operation of the plant, and the direction and promotion of the employees, including the right to hire and to discharge for just cause, is vested in the management, provided, however, that this Article will not be used in a discriminatory manner against any employee or group of employees, and provided further that management rights under this Article shall not be exercised in any way inconsistent with or in violation of any of the terms or provisions of this Agreement.

ARTICLE 4 - UNION SECURITY PROVISIONS

4.01 Membership

The Company agrees that all employees covered under this Agreement, and all new employees hired subsequent to the effective date of this Agreement shall, as a condition of their hiring or continued employment:

- (a)** authorize the Company in writing to deduct union dues from their pay.
The Union will provide a *Check-off Authorization* to the Company for this purpose, the "copy" portion of which is to be mailed by the Company to the servicing staff office of the United Steelworkers at #202 - 9292- 200th Street, Langley, B.C. V1M 3A6.
- (b)** become members of the Union within thirty (30) days from their effective date of hire, and remain members of the Union in good standing.
- (c)** complete and sign a Union Death Benefit card provided by the Union to the Company for such purpose, which will be mailed to the servicing staff office with the Union portion of the Check-off Authorization as per Article 4.01 (a).

4.02 Check-Off: Process and Procedures

- (a)** The Company shall deduct from the pay of each member of the bargaining unit, an amount equivalent to the monthly dues, fees and assessments prescribed by the International Constitution of the United Steelworkers.
- (b)** The Union will give reasonable notice to the Company of any changes in Union dues, fees or other amounts which the Company is required to deduct. All changes will coincide with the beginning of the Company's next pay period.

- (c) No later than ten (10) days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted to:

United Steelworkers
P.O. Box 9083
Commerce Court Postal Station
Toronto, Ontario
M5L 1K1

- (d) The monthly remittance shall be accompanied by a completed USWA R115 Form (a summary of the dues calculations made for the month, each month), as well as a statement showing the names of each employee from whose pay deductions have been made and the total deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why, ie W.C.B., W.I., laid off, etc.
- (e) A duplicate R115 Form and employee deduction statement as in (d) above shall be forwarded by facsimile to:
- (i) United Steelworkers, Local 2009
Attn: Financial Secretary @ 604-513-1851 and
- (f) The Company agrees to print the amount of total deductions paid by each employee for the previous calendar year on their annual statement of Remuneration (T4 slip).
- (g) The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of deductions made or payments in accordance with this Article.

ARTICLE 5 - HOURS OF WORK

- 5.01 The standard work day shall consist of eight (8) hours, worked between the hours of 8:00 a.m. and 4:30 p.m. with a designated thirty (30) minute lunch period, Monday to Friday inclusive.
- 5.02 If an afternoon shift is employed, the standard work shift shall be **eight (8)** hours worked between the hours of 4:00 p.m. and 12:30 a.m., with a designated thirty (30) minute lunch period, Monday to Friday inclusive.
- 5.03 If a night shift is employed, the standard work shift shall be **eight (8)** hours, worked between the hours of 12:00 a.m. and 8:30 a.m., with a designated thirty (30) minute lunch period, Monday to Friday inclusive.
- 5.04 The regular work week for full-time employees shall normally consist of **forty (40) hours** consisting of five days of eight (8) hours or four (4) days of ten (10) hours, three (3) days at twelve (12) hours, from Sunday (night shift start-up) to Saturday at midnight. The regular day shift for all employees shall be considered as any shift starting between the hours of 6:00 a.m. and 8:30 a.m. plant wide. All other shifts will be considered off-shift. Further, nothing herein shall be construed as a guarantee of daily or weekly hours to be worked or paid, unless specifically provided for.
- It is understood that the Company retains the right to establish various shift configurations not specifically provided for herein, provided that such shifts are in accordance with applicable legislation. It is understood that the implementation of such shifts shall not occur without prior discussion with the Union.
- 5.05 Time worked in excess of forty (40) hours per week as herein specified shall be considered as overtime, and paid at the following rates.
- (a) All employees shall be paid two times (2x) their regular rate for any hours worked on Plant Holidays as per Article 6.01 (a):

- (b) For standard work schedules, work performed in excess of eight (8) hours per day and on Saturdays shall be paid at the rate of one and one half times (1 1/2x) the regular rate of pay. Work performed on Sundays shall be paid at double time (2x).

In the event there are not enough volunteers to work overtime that may be necessary, the union stewards shall be informed and the overtime will be assigned by reverse order of seniority to those employees who are able to perform the work required.

- 5.06 An employee shall have ten (10) hours rest between shifts.
- 5.07 Employees called in before their regular starting time shall be paid at double time rates for time worked prior to their regular starting time.
- 5.08 (a) When additional shifts are required and do not continue for two (2) consecutive shifts then double time will be paid.
- (b) Employees shall be given twenty-four (24) hours notice of a change of shift. In the event that twenty-four (24) hours notice is not given, for a change of shift, the employee shall receive double time and one-half his regular rate for all hours worked on the first shift of such shift change.
- 5.09 On occasion, employees may be required to work into their break or lunch period to satisfy a customer service but will be allowed equivalent time off following completion of the required work. In no event shall employees be required to work more than five (5) consecutive hours without sufficient time off to eat lunch. Such work assignments will be shared equally amongst those employees qualified to perform the work.
- 5.10 Subject to the exceptions set forth in this section, any employee reporting for, or called in to work, shall receive a minimum of four (4) hours pay at his regular rate, providing that, if four (4) hours work is not available at his regular job, he shall perform such other work as may be assigned to him to qualify for such pay.
- The provisions of this section shall not apply in case of shutdown necessitated by emergencies completely beyond the control of the Company, or if the employee:
- (a) voluntarily quits, or
- (b) was previously instructed not to report, and in any such event or circumstances he shall then be paid for the actual time worked.
- 5.11 The lunch period shall be mutually arranged between the Company and the Union.
- 5.12 Employees who remain on the job and work more than three (3) hours overtime, after completing their normal shifts, shall be allowed one (1) hour for a supper break. This one (1) hour period to be paid for at the employee's regular rate.
- 5.13 Parties to the Collective Agreement are agreed that all overtime will be voluntary.
- 5.14 Overtime shall be distributed equitably as far as reasonably practicable among the employees willing and capable of doing work. The Company shall post on the bulletin board the number of overtime hours worked by all employees.
- 5.15 When an employee is temporarily assigned for more than two (2) hours to a higher classification than the one held by that employee, he shall receive the higher rate of pay for the complete shift and such rate shall also include any overtime worked on that day. Employees who are required to work in a class lower than their normal

classification, shall receive their normal rate retention. In times of reduced Operation, employees will be assigned a job in accordance with Article 8.01 (a) and will receive the rate applicable to that job.

ARTICLE 6 - STATUTORY AND PLANT HOLIDAYS

- 6.01 (a) All employees covered by this Agreement shall receive eight (8) hours pay at their regular straight time rate for each of the following fourteen (14) plant holidays and any other day declared a Statutory Holiday by the Provincial or Federal Government in addition to any wages which they may be in receipt of for work performed on such Holidays:

New Year's Eve Day
New Year's Day
Good Friday
Easter Monday
Victoria Day
Canada Day
British Columbia Day

Labour Day
Thanksgiving Day
Remembrance Day
December 24th
Christmas Day
Boxing Day
Additional Day between Christmas and New Year's

In the event that Family Day is recognized in 2013, this day shall replace the "Additional Day off between Christmas and New Year's."

- (b) Payment for any of the fourteen (14) holidays above-stipulated will not be void should such holiday(s) fall on a Saturday or Sunday.
- (c) In order to qualify for the eight (8) hours' pay for a Plant Holiday as set forth in 6.01, the employee must have thirty (30) calendar days' service with the Company and must be at work the day preceding and the day following. The pay for December 24th, Christmas Day, Boxing Day, New Year's Eve, the additional day off during Christmas as assigned by the Company and New Year's Day will be honoured if the person works any part of December.
- (d) Should any of the above-stipulated **fourteen (14)** holidays occur during the employee's vacation period, he shall be given an extra day's vacation with pay for each Holiday, to be taken at the beginning of or the end of the vacation period.
- (e) Employees who work on a Plant Holiday may elect to take a substitute day off with pay at a later mutually acceptable time but not later than the end of the current year.

ARTICLE 7 - VACATIONS

7.01 The following vacation provisions shall apply:

- (a) Employees with less than one (1) year of service who terminate shall receive their vacation pay in accordance with the "Employment Standards Act" of the province of British Columbia.
- (b) Employees with one (1) year **or more**, but less than three (3) years service shall annually receive two (2) weeks vacation with two (2) weeks pay or four percent (4%) of gross earnings.
- (c) Employees with three (3) years service **or more**, but less than seven (7) years service, shall annually receive three (3) weeks vacation with three (3) weeks pay, or six percent (6%) of gross earnings.
- (d) Employees with seven (7) years service **or more**, but less than fourteen (14) years shall annually receive four (4) weeks vacation with four (4) weeks pay, or eight percent (8%) of gross earnings.
- (e) Employees with fourteen (14) years **or more** of service and up to eighteen (18) years shall annually receive five (5) weeks vacation with five (5) weeks pay, or ten percent (10%) of gross earnings.

- (f) Employees with eighteen (18) years to thirty (30) years shall receive six (6) weeks vacation with six (6) weeks of pay, or twelve percent (12%) of gross earnings. Employees with over thirty (30) years of service shall receive seven (7) weeks vacation with 7 weeks of pay, or fourteen percent (14%) of gross earnings.
- (g) It is understood and agreed that no employee may take more than two (2) consecutive weeks vacation during the period June 15th to September 15th.
- (h) Employees hired after March 2, 1994 will receive a maximum of **five (5)** weeks vacation, and, further, the Parties agree to waive Article 7.01 (e) and (f) for the purpose of this clause.

7.02 An employee with four (4) or more weeks vacation eligibility, may elect to receive vacation pay in lieu of vacation time off for any weeks in excess of three (3).

7.03 The Vacation allowance may be drawn on the working day preceding the vacation.

7.04 In addition to the continuous service requirement, vacations with pay shall apply only to those employees who have worked at least 1000 hours in the previous year. Previous year calculation shall be January 1st to December 31st. Any period of absence due to a compensable injury in the year in which the employee incurred such injury shall be considered as time worked for the purpose of this paragraph.

Vacation pay shall consist of the greater of the scale set forth in Article 7.01 or forty (40) hours times the employee's regular straight time earnings.

Notwithstanding the above, no eligible employee shall receive less than forty (40) hours straight time earnings per week of vacation entitlement.

Employees who have worked less than 1000 hours in the previous year as defined above shall receive vacation pay at the appropriate percentage of annual earnings as described in the first paragraph of Article 7.04.

7.05 For all employees commencing work prior to July 1, 1992 the requirement number of hours as per Article 7.04 will be 800 instead of 1000. For all subsequent employees, the required number of hours will remain 1000.

7.06 Vacation Bonus

If an employee takes vacation between November 1st and March 31st, then a bonus of one hundred and fifty dollars (\$150.00) per week will be paid.

If an employee takes vacation between November 1st and March 31st, and did not take any vacation between June 1st and August 31st, then a bonus of two hundred and fifty dollars (\$250.00) per week will be paid.

For clarity no bonus will be paid if vacation taken in April, May, June, July, August, September or October.

ARTICLE 8 - SENIORITY

- 8.01 (a)** The parties recognize that job opportunity and seniority should increase in proportion to length of service. It is agreed that the term "*seniority*" as used herein, shall have reference to any employee's right to a job based upon his length of service within the Company and his ability to efficiently fulfill the job requirements.
- (b)** All promotions, transfers, filling of vacancies, layoffs, terminations, shall be done strictly in accordance with the principle set forth in 8.01 (a).
- (c)** Seniority of each employee covered by this Agreement shall be established after a probation period of sixty (60) accumulated days worked and shall count from date of first hire.

- (d) Seniority shall be maintained and accumulated during absence due to:
1. Layoff;
 2. Sickness, or non-compensable accident covered by authorized leave of absence;
 3. Authorized leave of absence;
 4. Absence from employment while serving in Canada's Armed Forces during a nationally declared state of war;
 5. Absence from employment on Union business.
- (e) An employee shall lose his seniority standing and his name shall be removed from all seniority listings for any of the following reasons:
1. If the employee voluntarily quits;
 2. If the employee is discharged and not reinstated under the terms of this Agreement;
 3. If the employee is absent from work for more than three (3) working days without reasonable cause that is acceptable to the Company.
 4. If the employee is laid off and fails to return to work within five (5) working days after he had been notified to do so by the Company by registered mail to his last known address;
 5. If on layoff for lack of work for a period of more than the following:
 - (a) Less than 12 months seniority - 6 months
 - (b) Over 12 and less than 60 months seniority - 12 months
 - (c) Over 60 months seniority - 24 months
 6. Employees who are to be layed off shall be given the following notice:
 - (a) One (1) weeks notice in writing to the employee if his period of employment is less than five (5) years;
 - (b) Two (2) weeks notice in writing to the employee if his period of employment is over five (5) years;

Failing such notice the Company shall pay at the employee's regular straight time rate of pay, for the number of days notice not given, that the employee would normally be scheduled to work that is less than the required number of days notice;
 7. Employees leaving the job must give one (1) weeks notice of such intent. Failure to give such notice will result in final payment of wages occurring in the next following pay period.

ARTICLE 9 - SAFETY AND HEALTH

- 9.01** The Company agrees to make reasonable provisions for the safety and health of its employees at the plants during the hours of their employment.
- 9.02** It is mutually agreed that a Safety Committee consisting of two (2) employees selected by the Union (bargaining unit) shall meet with a management representative or representatives not less frequently than once a month, in

accordance with the Workers' Compensation Board Regulations. Minutes of such meetings shall be posted on the Notice Board.

- 9.03** Any employee suffering injury while in the employ of the Company, must report immediately to the First Aid Department (attendant) or as soon thereafter as possible, and also report to this Department (attendant) on returning to work.
- 9.04** Adequate washroom, lunchroom and, where necessary, locker facilities will be provided by the Company and kept in a sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.
- 9.05** All employees as well as the Company shall observe the simple rules of good housekeeping and sanitation.
- 9.06** **Injured Employee - Daily Earnings:** If an employee is injured on the job and a doctor recommends no further work on that day, the Company will maintain the employee's normal daily earnings for the day of injury.
- 9.07** **Employees Working Alone:** Where an employee is employed under conditions where he might be injured and not be able to secure assistance, the employer shall devise some method of checking on the well-being of the workman at intervals which are reasonable and practicable under the circumstances.
- 9.08** The Company understands the importance of having qualified First Aid attendants and therefore, agrees to train at least one (1) employee on each shift. The Company will pay for the training.

9.09 **FIRST AID ATTENDANTS**

\$.35 per hour over occupational rate - Level I
\$.75 per hour over occupational rate - Level II

The First Aid certificate requirement of the Workers' Compensation Board will determine the premium that will be paid and the number of first aid attendants required within the workplace.

Employees required to attend First Aid courses will be reimbursed regular wages for lost time while in attendance at a course.

Employees will be chosen as per article 8.01 a of the collective agreement.

9.10 **SAFETY GLASSES**

- (a) Employees are required to wear protective safety glasses as deemed necessary by the Company in conjunction with Worker's Compensation Board regulations.
- (b) The Company will supply once only, at no cost to an employee one (1) pair of standard non corrective safety glasses. It will be the employee's responsibility to purchase additional glasses in the event of loss. Non-corrective safety glasses damaged from shop work will be replaced at no cost to the employee.
- (c) The Company will reimburse an employee for the purchase and/or renewal of corrective safety glasses and whenever they become damaged from shop work. Reimbursement, upon provision of receipts, shall be up to two hundred dollars (\$200.00) for each occurrence. Glasses will conform to Company policy requirements.
- (d) In the event the Company establishes a corporate program to provide corrective safety glasses, the Company shall notify the Union prior to implementation and such program shall super cede Article 9.10 (c) for as long as the program is in effect.

ARTICLE 10 - GENERAL PROVISIONS

- 10.01** Any rights and privileges of employees now in effect but not specifically mentioned in this Agreement, shall be continued and no changes shall be put into effect unless mutually agreed upon by the Company and the Union.
- 10.02** It is mutually agreed that apprentices may be articulated under the provisions of the Apprenticeship Act of the Province of British Columbia. The number of apprentices permitted shall be one (1) for the shop and one (1) additional apprentice for each five (5) qualified journeymen employed therein.
- 10.03** The Company agrees to confer with the Shop Steward of the Union prior to discharging or suspending any employee.
- 10.04** Any employee being discharged, laid off, or leaving of his own accord, shall be paid all wages due to him as promptly as possible or in any event, within forty-eight (48) hours of the expiration of the next working day, subject to the provisions of paragraph 8.01 (e) 7.

When the employees quit, they shall receive up to date pay and their Record of Employment on the next payroll run. When the Employees are terminated for cause, they shall receive up to date pay and their Record of Employment as per the Labour Standards.

- 10.05** The Union shall have the exclusive use of a Bulletin Board on the premises of the Company and provided by the Company for the purpose of posting paper, notices, etc., which may be of interest to Union members. All such material may be posted only upon the authority of the Executive Committee of the Union.
- 10.06** Any notice required to be given to the Company under the terms of this Agreement shall be given by registered mail addressed to it at its registered address in the city of Prince George, B.C. Any notice to be given to the Union under the terms of this Agreement shall be given by registered mail addressed to the Secretary of the Union at its registered address in the City of Langley, B.C.
- 10.07** When the Company finds it necessary to layoff or discharge a Shop Steward, the Union Representative shall be notified prior to such layoff or discharge.
- 10.08** No provision of this Agreement shall be used to remove working conditions or reduce wages presently in force.
- 10.09** Representatives of the Union shall have access to the Company's premises providing they do not cause workmen to neglect their work. It is a requirement for the Union Representatives to sign in upon their arrival to the plant **and to sign out upon their departure.**
- 10.10** There shall be two (2) fifteen-minute rest periods, one midway between each half of each shift.
- 10.11** It is agreed that the Company will pay the entire cost of providing a weekly coverall service for all employees. It is further agreed that all employees will be properly dressed in adequate clean coveralls.
- 10.12 Bereavement Pay:** In case of death in the immediate family of any employee, the Company will grant him three (3) days leave of absence with pay if he attends the funeral. If he does not attend the funeral, he will be granted one (1) day leave of absence with pay. *"Immediate Family"* will mean parents, parents-in-law, spouse, children, grandparents and brothers and sisters. The Company will grant up to five (5) consecutive working days leave of absence with pay to an employee required to travel outside the Prince George area to attend the funeral.
- 10.13 (a)** The Company shall grant employees a Leave of Absence for personal reasons or on compassionate grounds.

Employees requesting leave under this Article must notify the in writing two (2) weeks in advance of the time for which the leave is requested. In cases of substantiated unforeseen circumstances or emergencies beyond the control of the employee, the written advance notice may be waived but written notification must be provided as soon as possible to verify the viability of the absence.

Leaves of Absence on compassionate grounds or for family responsibility leave, maternity or paternity leave will be covered as per the applicable legislation.

(b) Leave for Union Business

Employees who have been elected or appointed by the Union to attend Union gatherings will be granted a leave of absence without pay for this purpose; however, not more than **one (1)** employee at any one time **unless an agreement has been reached with management for an additional employee**. The union must give the Company fourteen (14) days notice in writing.

These leaves are not to exceed two (2) weeks. The parties agree to meet and discuss any requested leaves that, if granted, would cause undue hardship to the Company's operation.

The Company will grant an employee leave of absence of not more than three (3) years to work in an official capacity for the local or International Union. The employee must request the leave of absence in writing and the Union must approve it. This leave may be extended for additional three (3) year periods at the request of the Union.

10.14 The Company agrees, in respect of payment of wages, to include a statement setting forth particulars to inform the employee the manner in which his pay was calculated, and an explanation of all deductions.

10.15 Effective as of January 1, 2013, employees shall receive **\$.06 per hour to cover the cost of safety shoes**.

10.16 (a) The Company will supply steel toed rubber boots to mill operators and forklift operators. The Company will provide insulated coveralls to each forklift operator for the winter period only.

(b) The Company shall provide and replace gloves where necessary at no cost to the employees concerned.

10.17 Severance Pay

(i) Conditions of Allowance

When, in the sole judgment of the Company, it decides to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated as a result thereof because he was not entitled to other employment with the Company pursuant to the provisions of Article 8 - Seniority of this Agreement shall be entitled to a severance allowance in accordance with and subject to the following provisions.

(ii) Eligibility

Such an employee, to be eligible for a severance allowance, shall have accumulated three (3) or more years of continuous Company service as computed in accordance with Article 8 - Seniority of the Agreement.

(iii) Scale of Allowance

An eligible employee with less than five (5) years of service shall receive severance allowance based on one (1) week of pay for each year of continuous Company service.

An eligible employee with five (5) years or more of service shall receive severance allowance based on two (2) weeks of pay for each year of continuous Company service.

(iv) Calculation of Allowance

A week's severance allowance shall be determined in accordance with the provisions for calculation of vacation allowance as set forth in Article 7 - Vacations.

(v) Payment of Allowance and Termination

Payment shall be made in a lump sum at the time of termination.

Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this Agreement.

(vi) Non-Duplication of Allowance

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of Canada or any of the provinces, districts or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this Article, or any payment made by the Company under this Article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this paragraph.

- 10.18 HUMANITY FUND** For the purpose of international aid and development, the Company agrees to deduct twenty dollars (\$20.00) on October 1st each year from the wages of all employees in the bargaining unit, and to pay the amount so deducted to the "Humanity Fund" and to forward such payment to:

United Steelworkers
National Office
234 Eglinton Avenue East, 7th Floor
Toronto, Ontario M4P 1K7

It is agreed that the total for each employee's yearly deduction will be entered in Box 46 (Charitable Contribution) of the Revenue Canada T4 slip for the year it has been deducted. For this purpose, the payroll department will note the following Charitable Donation number the "Humanity Fund": R119172278 RR 0001.

- 10.19 UNION SAVINGS PLAN** The Company agrees to provide payroll deduction for employees who enrol in and contribute to the Steelworker District 3 Savings Plan. At the beginning of each calendar year, the employee shall authorize the Company in writing as to a fixed dollar amount to be deducted from the last pay period of the month and forwarded to the Plan. Such authorization shall be irrevocable until the end of the calendar year. Deductions will be forwarded to the Plan by the fifteenth of the month following the deduction.

10.20 HUMAN RIGHTS

- (a) The employer and the union agree that there will be no discrimination, intimidation, interference, restrictions or coercion exercised or practiced by either of them or any of their representatives because of the question of membership of an employee or any other person employed by the employer in the trade union or in any trade union or because of their activity or lack of activity in the trade union or any other trade union.
- (b) The employer and the union agree that they shall administer the provisions of this Agreement in a manner which is consistent with the Human Rights Code of British Columbia and, in accordance with that Act, there shall be no discrimination against any employee on the basis of race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability or conviction for which a pardon has been granted.
- (c) "Harassment" is defined as unacceptable conduct or comment that undermines the employment relationship or that might reasonably be expected to cause offence or humiliation to any person or might be viewed by the employee as placing an improper condition on employment. Harassment may take

various forms including the following:

- (i) Harassment of an individual or individuals on any of the prohibited grounds of discrimination under the Human Rights Code of British Columbia as listed in 10.20 (b) above. It includes: deliberate or unintentional gestures, comments, racial slurs, questions, representations, or other behaviours that ought reasonably to be known to be unwelcome by the recipient.
- (ii) Sexual Harassment is deliberate and/or unsolicited verbal comment or physical contact of a sexual nature that is unwelcome to the recipient. Various behaviours that can be interpreted as sexual harassment include: sexually suggestive gestures, sexist jokes that embarrass, flirtations, advances or propositions, leering, the display of sexually offensive material, derogatory or degrading remarks directed towards members of one sex or one sexual preference group.
- (d) The employer shall endeavour to provide a work environment free from harassment. The employer and union agree that harassment will not be tolerated and no person should be subjected to such conduct. An employee who commits harassment or knowingly condones harassment of another person will be subject to disciplinary action up to and including discharge.
- (e) It is understood that any harassment investigation shall be handled in accordance with the guidelines established by the employer under its policy on "harassment-free" employment.
- (f) The Employer may discipline, up to and including discharge, or undertake other appropriate action against any person who makes a frivolous or vindictive claim under 10.20 (c) above.

10.21 EDUCATION AND TRAINING FUND

- (a) the Employer shall contribute to the Union the sum of five cents (\$.05) per hour per employee for each hour worked for education and training of Union members.
- (b) The money shall be made payable to Local Union 2009 Education and Training Fund, #202 – 9292 – 200th Street, Langley, B.C. V1M 3A6 and shall be remitted by the 15th of each month for the previous month and the Employer shall provide necessary information regarding amounts paid for each employee.
- (c) Upon request but no less than once each contract year the Union shall provide the Company with an accounting of the fund disbursements.

10.22 (a) Personnel Records

- (i) One personnel file shall be maintained by the Employer for each Employee in the bargaining unit. Such file shall contain all records and reports concerning the Employee's employment and work performance.
- (ii) No negative comments or report about any Employee shall be placed in any personnel file unless the Employee concerned is first given a copy of the information.
- (iii) Personnel files, as referred to in this Agreement, shall include both hard copy and/or any other methods, systems or forms of maintaining such records and files related to Employees as may be implemented by the Employer.
- b) **Employee Access to Personnel File** An Employee shall have the right to read and review his/her personnel file at any time, upon reasonable notice and by written request to the Employer. On request, and with the Employee's permission, the Union representative shall be provided with copies of any document or record contained in the Employee's personnel file.
- (c) **Union Access to Employee Personnel File** A representative of the Union shall have the right to read and review an Employee's personnel file at any time, upon written authorization of the Employee and upon reasonable notice and written request to the Employer. On request, and with the Employee's permission,

the Union representative shall be provided with copies of any document or record contained in the Employee's personnel file.

(d) Discipline

- (i) The Employer shall only discipline, suspend, discharge or terminate an employee for just cause. The burden of proof of just cause shall rest with the Employer.
- (ii) Any Employee who is to be interviewed regarding disciplinary action shall be interviewed in the presence of a Shop Steward, grievance Committee member or other Union designee.
- (iii) The Employee, the Shop Steward or grievance Committee member and the Local Union President shall receive a copy in writing of any disciplinary action taken including, but not limited to all written reprimands, or notices involving suspension or discharge and the reasons in full for such action within twenty-four (24) hours of the taken action.

(e) Relief

All written warnings, reprimands, suspensions, and discharges shall be rescinded, and removed from the Employee's personnel file, after a period of twelve (12) months after the date of issued disciplinary action and shall not be used against the Employee thereafter if there is no recurrence of a similar infraction.

10.23 Letters of Understanding and Memorandums

- (a) **Form Part of Collective Agreement** The Company and the Union agree that any and all Letters of Understanding and Memorandums of Agreement made between the parties, shall be considered as part of the Collective Agreement.
- (b) **Copies to Union** The Company agrees to supply the Union with signed copies of all Letters of Agreement, Memorandums of Agreement, and Appendices, which form part of the current Collective Agreement.
- (c) **Renewal All Agreements**, Letters of Understanding, or Memorandums of Agreement issued prior to the signing of this Agreement, and not renewed, shall become null and void after signing of this Collective Agreement.

Renewed Letters of Understanding shall remain in effect during the terms of this Agreement

10.24 Union Representation

- (a) The Employer acknowledges the right of the Union to appoint or otherwise select Shop Stewards for the purpose of representing employees in the handling of complaints and grievances.
- (b) The Employer agrees to recognize Shop Stewards, as provided in writing from the Union.
- (c) The Employer will be notified by the Union of the names of the Shop Stewards, and any changes made thereto.
- (d) The Employer agrees to recognize and deal with a Union Grievance Committee of not more than two Employees plus the Unit President.
- (e) When the legitimate business of a Unit President, Grievance Committee Member, Shop Steward or Occupational Health & Safety Committee Member requires such Employees to leave their department, the Employee will first receive permission from their Manager. Such permission shall not be unreasonably withheld.
- (f) The Employer agrees that Unit President, Shop Stewards, Grievance Committee Members and Safety

Committee members will not suffer loss of pay for time spent in the handling of grievances and any legitimate union business.

10.25 Negotiating Committee

- (a) The Employer agrees to recognize and deal with a Negotiating Committee of not more than two (2) Employees, who will be regular Employees of the Employer, along with representatives of the International Union.
- (b) The Negotiating Committee is a separate entity from other committees, and will deal only with such matters as are properly the subject matter of negotiations, including proposals for the renewal or modification of this Agreement.
- (c) The Employer agrees to allow members of the Negotiating Committee the time off work with loss of pay for the purpose of meeting with the Employer in the negotiation of the renewal or modification of this Agreement.
- (d) During negotiations for a new Collective Agreement, the Employer shall place employees, members of the Negotiating Committee on the day shift.

ARTICLE 11 – NO STRIKES OR LOCKOUTS

- 11.01** Should grievances arise between the Company, the Union or Employee or Employees, as to the meaning and application of any provisions of this Agreement, or as to the compliance of either party with any of the provisions of this Agreement, there shall be no strikes, walkouts, pickets, boycotts, stoppages of work or lockouts. The settlement of any such grievance is to follow the procedure set out in Article 12, Article 13 and Article 14.

ARTICLE 12 - GRIEVANCE PROCEDURE

12.01 GRIEVANCES WILL BE PROCESSED AS FOLLOWS:

STEP 1 It is generally understood that an Employee has no complaint or grievance until he, either directly or through the Union, has first given the Employee's Supervisor an opportunity to adjust the complaint.

If, after registering the complaint with the designated Management Representative, and such complaint is not settled within three (3) regular working days or within any longer period which may have been agreed to by the Parties, then the following steps of the Grievance Procedure may be invoked.

STEP 2 The grievance shall be submitted in writing to the designated Management Representative either directly or through the Union. The designated Management Representative will meet with the Employee's Union Steward within three (3) working days of the receipt of the grievance in an attempt to resolve the grievance. The grievor may be present at this meeting, if requested by either Party. The designated management Representative within a further three (3) working days give the Employer's answer on the grievance form, and return it to the Union.

STEP 3 If the grievance remains unsettled at the conclusion of Step 2, the grievance may be submitted to the designated management representative, who shall within three (3) working days, hold a meeting between the Union Grievance Committee (not to exceed three (3) in number) and the appropriate representatives of the Employer, in a final attempt to resolve the grievance. A Staff Representative of the Union, or his designee and the grievor may be present at this meeting, if requested by either Party. The Employer's representative will within a further three (3) working days give the Employer's decision in writing to the Union on or attached to the grievance form.

If settlement is not reached the grievance will proceed to Step 4.

STEP 4 Arbitration or Expedited Arbitration.

12.02 TIME LIMITS (WORKING DAYS) AND STEPS WILL BE AS FOLLOWS:

| <u>Appeal to</u> | <u>Time</u> | <u>Answer</u> |
|------------------|--|---------------|
| <u>Step 1</u> | Within 10 days of the grievor's knowledge of the occurrence of the grievance | 3 days |
| <u>Step 2</u> | Within 5 days of answer | 3 days |
| <u>Step 3</u> | Within 5 days of answer | 3 days |
| <u>Step 4</u> | Within 30 days of answer | |

The time limits may be extended by mutual consent if there is reasonable need for extension, and a request for extension is made in writing.

12.03 DISCHARGE CASES If an employee believes that he has been unjustly discharged he may commence grievance procedure and it will be instituted at Step 2.

12.04 WARNING - SUSPENSION - DISCHARGE Employees may only be warned, suspended or discharged for just cause suspension days will run as consecutive working days.

12.05 GROUP OR GENERAL GRIEVANCES Grievances of a general or group nature will be put in writing and instituted at Step 2.

12.06 TIME LIMITS - FAILURE TO ACT If either Party fails to act within any of the time limits, or with an agreed upon extension, it will be deemed that the Party has abandoned its position and that the position of the other Party has been established, except in a case where either the Union or the Company withdraws the grievance.

12.07 GRIEVANCE COMMITTEEMEN AND COMPANY REPRESENTATIVES At each of the three grievance steps the Company and the Union may have equal representation.

12.08 COMPANY REPRESENTATIVE - STEPS 2 AND 3 If a Company's administrative staff is such that the same Company representative would be involved in Steps 2 and 3, then Step 2 will not be used, except in 11.03 and 11.05.

ARTICLE 13 - EXPEDITED ARBITRATION

13.01 Notwithstanding any other provisions of this Agreement, the following Expedited Arbitration Procedure is designed to provide prompt and efficient handling of routine grievances.

The Expedited Arbitration Procedure shall be implemented in light of the circumstances existing within the collective agreement, with due regard to the following.

13.02 An Arbitrator, shall be appointed by the Vice-Chairman – Mediation Services to hear the cases. Their expenses and fees will be borne by the Parties. The fees are to be in an amount agreed to by all three parties.

13.03 (a) Within thirty (30) calendar days after receipt of the Step 3 answer Local Union 2009 shall assess which grievances shall be referred to Expedited Arbitration, and will so notify the Plant Manager, or their designate. Should the representatives of the Company deem that the issue does not meet the criteria of section 12.06 (a) of this Article, Local Union 2009 will nonetheless proceed to Expedited Arbitration for resolution. In this situation, however, the first issue that must be ruled upon by the Arbitrator is whether or not the subject matter is one that meets the criteria of section 12.06 (a).

If the Arbitrator concludes that the case is not appropriate for the Expedited Arbitration process, the case shall be referred back to the Union for further determination as if at the conclusion of the Third Stage of the grievance procedure.

- (b) The next panel member shall be contacted and requested to serve on the case or cases designated for Expedited Arbitration at a time and place agreed upon by the Company and Union Representatives. The date of the hearing shall be within ten (10) calendar days of the appeal unless an extension of time is mutually agreed upon by all three parties.

13.04 Grievances shall be presented in the Expedited Arbitration Procedure by a previously designated representative of Local Union 2009 and a designated representative of the local Plant Management. Attendance of other persons at the Arbitration hearing shall be limited to those who have personal knowledge of the grievance being presented.

13.05 (a) The hearing shall be informal

(b) No briefs shall be filed or transcripts made

(c) There shall be no formal evidence rules

(d) The Arbitrator shall have the obligations of assuring that all necessary facts and considerations are brought before him by the representatives of the parties. In all respects, he shall assure that the hearing is a fair one.

(e) If the Arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance that the case should require further consideration by the parties, the case shall be referred back to the Local Union for final deposition.

(f) The Arbitrator shall render his written decision within five (5) workdays following the date of the hearing. Their decision shall be based on the facts presented by the parties at the hearing, and shall include a brief written explanation of the basis for their conclusion. These awards will not be cited as a precedent at any discussion of any other grievances at any stage of the grievance procedure or in any subsequent Arbitration, and will be considered binding by both parties.

13.06 (a) Grievances subject to this Expedited Arbitration Procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.

(b) The Arbitrator under this Expedited Arbitration Procedure shall have the same powers as granted to the Arbitrator under Section 13.10 of this Agreement.

ARTICLE 14 - ARBITRATION

14.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may after exhausting the grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

14.02 Any matter referred to arbitration, as provided in 13.01 hereof, shall be submitted to a single arbitrator selected from the following list:

1. Christopher Sullivan
2. Judi Korbin
3. Ron Keras
4. Rick Coleman
5. Colin Taylor

14.03 The arbitrator shall have the authority to act as a mediator/arbitrator upon application of either party and will hear and determine the difference or allegation, and will issue a decision, and the decision is final and binding upon the parties, and upon any Employee affected by it.

- 14.04** The arbitrators will rotate on each subsequent arbitration, but should anyone be unable to act within thirty (30) calendar days, the Arbitrator shall be passed over to the next on the list.
- 14.05** The arbitrator will have the right to enter any premises where work is being done or has been done by the Employee, or in which the Employer carries on business, or where anything is taking place or has taken place concerning any of the differences submitted to the Arbitrator and inspect and view any work material, machinery, appliance or article therein, and interrogate any person respecting any such thing or any of such differences.
- 14.06** If, during the life of this Agreement, one of the Arbitrators named in 13.02 hereof withdraws from the list, the Parties will appoint a replacement by mutual agreement in writing.
- 14.07** Except where otherwise provided for in this Agreement, each of the Parties hereto will bear its own expenses with respect to any arbitration proceedings. The Parties hereto will bear jointly the expenses of the arbitrator on an equal basis.
- 14.08** No matter may be submitted to arbitration which has not first been properly carried through all preceding steps of the Grievance Procedure.
- 14.09** The Arbitrator will have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary for the determination of a grievance referred to it, but will not have the jurisdiction and authority to alter to amend any of the provisions of this Agreement.
- 14.10** A claim by an Employee that the Employee has been unjustly discharged, suspended or laid-off may be settled by confirming the Employer's decision in discharging, suspending or laying-off the Employee, or by reinstating the Employee with such compensation, either full, partial or such other settlement as may be agreed upon by the conferring parties or determined by the Arbitrator as the case may be.

ARTICLE 15 - WELFARE PLAN

Effective date of ratification of this Agreement the Health & Welfare Plan for new hires will be switched to a co-pay system the Company's Flex Benefit Plan with Sun Life Financial.

Existing Employees will also have the option to switch to the Flex Plan within three (3) months of the date of ratification or at the next national benefit re-enrolment period in 2012. It is understood and expected that all employees shall be on the Flex Benefit Plan by January 1, 2015.

- 15.01 (a)** The medical coverage will be equivalent to that supplied by the British Columbia Medical Plan.
- (b)** The Company agrees to provide full Extended Health Benefits to employees.
- (c)** The Company will provide a Dental Plan with Basic Dental Coverage of 100% of Plan "A" and 90% of Plan "B". For new employees Dental Coverage will commence following three (3) months of employment. The maximum benefit will be one thousand dollars (\$1,000.00) per member, and one thousand dollars (\$1,000.00) for each dependent per year.
- 15.02** The Company agrees to provide Life Insurance for each employee with a double indemnity clause for accidental death. The amount of such Life Insurance will be as follows:
- \$50,000.00**
- 15.03** Upon completion of one (1) month's service with the Company, all employees shall be covered by the following Welfare Plan:
- (a)** Weekly Wage Indemnity Plan to cover sickness and non-compensable accidents as follows:

- (1) Sickness which does not require hospitalization shall be paid from the fourth (4th) day.
- (2) Sickness or accident which results in hospitalization shall be paid from the first (1st) day.
- (3) Maximum payments for any one sickness or accident, twenty-six (26) weeks in conjunction with the E.I. carveout feature.
 - (i) In the event the Employment Insurance Act is changed and those changes would deny coverage to those employees that qualify for additional benefits after twenty-six (26) weeks, then Article 11.03 (a) will be increased to thirty-six (36) weeks.
- (4) Weekly Indemnity: \$475.00.
Indexed to E.I. maximum if amount above exceeded.
- (5) Vision Care will pay up to \$150.00 once each two year period for each member and member's dependants.

15.04 Layoff Coverage

- (1) Coverage will be provided during layoff; up to a cumulative maximum of three (3) months in a calendar year, beyond the current month of layoff.
- (2) Coverage during layoff will be supplied without charge.

ARTICLE 16 - ARMTEC GROUP RRSP

16.01 PART A

The Company shall contribute into the Armtec Group RRSP each month on behalf of each member at the following percentages of Gross Earnings:

| <u>Years of Service</u> | <u>%</u> |
|-------------------------|----------|
| 0-1 | 0 |
| 1-5 | 3% |
| 6-10 | 4% |
| 11-20 | 5% |
| 20+ | 6% |

PART B

The Company will contribute 25% of each member's personal contribution into the Plan up to a Maximum member contribution of 5% of Gross Earnings. (This equates to an additional maximum contribution by the Company of 1.25% of Gross Earnings)

PENALTY Should a member withdraw any of the Company's contribution the Company will suspend contributions to his/her fund for one year.

Complete details of the Armtec Group RRSP are included in the packages presently in the hands of each member and the USWA office at Kamloops.

ARTICLE 17 - TECHNOLOGICAL CHANGE

17.01 In the event that the Company introduces a technological change which results in:

- (a) Displacement of employees from employment with the Company. The Company will cooperate with Canada Manpower training facilities to train such employees, if there are any job openings with the Company, and such employees have the necessary potential to fill the position.
- (b) An employee being terminated will receive two (2) week's pay for each year of seniority in excess of five (5) years seniority.

ARTICLE 18 - APPENDICES

18.01 Attached hereto and forming part of this Agreement are the following Appendices:

"A" - A SCHEDULE OF CLASSIFICATIONS AND WAGE RATES

ARTICLE 19 – JOB POSTING

- 19.01** (a) Every job of more than one (1) month's duration that becomes permanently vacant or is newly created shall be posted on the bulletin board for five (5) working days. An employee desiring any posted job must make application in writing to Management within the five (5) working days posting period. Subject to Article 8.01, the senior employee shall be the successful applicant. The Company shall furnish to the Union a copy of each Job Posting application.
- (b) Successful applicants shall not be entitled to bid for another job vacancy until after twelve (12) months have elapsed from being awarded a job vacancy.

19.02 JOB OPENINGS (TEMPORARY)

- (a) Job openings in the bargaining unit not subject to the Job Posting Procedure shall mean:
- Those job openings resulting from absences allowed under the terms of this Agreement up to a maximum of thirty (30) days.
- (b) All job openings (temporary) shall be filled in accordance with the principle established in 8.01(a) and (b) of the collective agreement.

19.03 **JOB APPLICATIONS (DELAYED)** If an employee is not at work, for the following reasons, when a job is posted, he may apply for the job, if he does so within three (3) working days of his return to work.

1. vacation,
2. authorized leave of absence not exceeding thirty (30) days,
3. absence resulting from an accident or illness not exceeding thirty (30) days,
4. absence on Workers' Compensation not exceeding thirty (30) days.

19.04 **TRIAL PERIOD** The successful applicant may be entitled to a trial period of a minimum of five (5) working days up to thirty (30) working days.

19.05 RETURN TO FORMER JOB

- (a) In the event that an employee is promoted in accordance with the provisions of this Article and within thirty (30) days of such promotion he is not performing efficiently, or the employee wishes to do so, he will revert to his immediate previous job, without loss of seniority.
- (b) If additional people are required, they will be drawn from the previous posting, provided, however, there are enough applicants on the previous posting to fill the vacancy.

19.06 SUCCESSFUL APPLICANT NOTICE The name of the successful applicant will be posted no later than five (5) days after the removal of the Job Posting notice.

All job postings not filled by successful applicants within thirty (30) days are considered void.

19.07 In the event that none of the applicants meet the requirements of the job in relation to Section 8.01 (a) of this Agreement, the Company may fill the vacancy from any available source.

ARTICLE 20 - DURATION OF AGREEMENT

20.01 Duration of Agreement to be **March 1, 2012 to and including February 29, 2016.**

20.02 Within five (5) days after receipt of any notice given pursuant to this Article by either Party, the Parties to this Agreement shall commence negotiations. During this period of negotiations this Agreement shall continue in full force and effect.

20.03 The Parties hereto specifically agree to exclude the operation of Section 50 (2) and (3) of the Labour Relations Board.

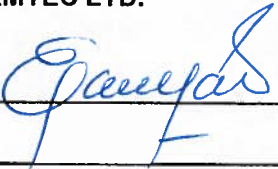
IN WITNESS WHEREOF: The Parties hereto have executed this Agreement this 5 day of April, 2012.

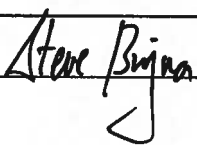
ON BEHALF OF THE COMPANY:

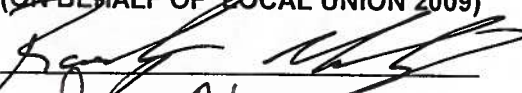
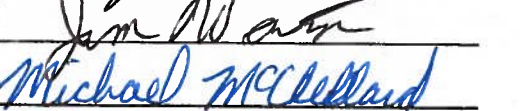
ON BEHALF OF THE UNION:


ARMTEC LTD.

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)**







APPENDIX "A"
ARMTEC
WAGE SCHEDULE AND CLASSIFICATIONS

A.01

| Job Class | March 1/12 0% | March 1/13 2%or increase by CPI 2002=100 for BC | March 1/14 2%or increase by CPI 2002=100 for BC | March 1/15 2%or increase by CPI 2001=100 for BC |
|---|--------------------------|--|--|--|
| Class 7 Linear/Steelmill Overseer | 25.40 | | | |
| Class 6 Yard Production Coordinator, Fabricator | 24.75 | | | |
| Class 5 Fabricator Layout | 23.72 | | | |
| Class 4 Mill Operator Linear Operator Fitting Welder Front End Fabricator | 23.13 | | | |
| Class 3 Certified Forklift Mill Operator | 22.27 | | | |

Wage Increase:

All full time employees on the payroll shall receive the following wage increases in Year 2, 3 and 4 of this agreement every March 1st or the CPI 2002 for B.C. whichever is greater, during the terms of this Collective Agreement:

Year 1 – 0% effective March 1, 2012

Year 2 – 2% or increase by CPI 2002=100 for B.C. as released by Stats Canada end of January 2013

Year 3 – 2% or increase by CPI 2002=100 for B.C. as released by Stats Canada end of January 2014

Year 4 – 2% or increase by CPI 2002=100 for B.C. as released by Stats Canada end of January 2015

Effective as of the date of ratification the following shall be the new Entry Wage Rate:

Entry Rate: \$17.00 for five hundred and twenty (520) hours

| | | |
|---------------|-----------------|---------|
| Learner Rate: | After 520 hours | \$18.00 |
| | After 520 hours | \$18.50 |
| | After 520 hours | \$19.00 |
| | After 520 hours | \$19.50 |
| | After 520 hours | \$20.00 |
| | After 520 hours | \$20.50 |
| | After 520 hours | \$21.00 |
| | After 520 hours | \$21.50 |

After completing 4160 hours at the learner rate of pay, the employee will be moved to the Class 3 rate of pay.

SHIFT PREMIUMS

- (a) All employees working on the twelve (12) hour night shift will receive a premium of one dollar and twenty-five cents (\$1.25) per hour worked on such shift.
- (b) All employees working on the eight (8) hours night shift will receive a premium of one dollars and seventy-five (\$1.75) per hour worked on such shift.
- (c) All employees working the eight (8) hour shift will receive a premium of one dollar and twenty-five cents (\$1.25) per hour worked on such shift.

A.02 Lead Hand and Charge Hand Definitions

- (a) Charge Hand and Lead Hand are employees who are assigned to instruct others in the performance of their work and may be held responsible for the quality and quantity of work.

- (b) Premium:

Effective the day of ratification the Charge Hand premium shall be \$1.00.

Effective the day of ratification the Lead Hand premium shall for \$0.75.

- A.03** If any new job classifications are to be established, or if any job classifications have been overlooked in this Wage Schedule, the parties hereto are agreed to negotiate a rate of the job(s) in question, and select a suitable job title. If the parties are unable to reach an agreement then the dispute shall be settled through Grievance and Arbitration Procedures of this Agreement.

LETTER OF UNDERSTANDING #1

BETWEEN: ARMTEC LTD.
AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: TRAINING OPPORTUNITIES

The Company recognizes the need for training opportunities to enable each employee to improve his knowledge and skills to equip himself for future positions of greater responsibility or higher pay.

1. In recognition of the Company's seasonal operation, employees, when required, should have their training scheduled for non-peak periods.
2. If there is a need defined by the Company and approved by management, training vacancies will be posted and awarded to the employee with the greatest seniority, as defined in Article 8.01 (a) of our Collective Agreement.
3. Where an employee is assigned to train other employees, he will be paid the Charge Hand premium in keeping with Appendix C.02 (b) of our Collective Agreement.
 - (a) The trainee, while being trained, will receive the normal job class on the machine or job for which he is being trained.
 - (i) An employee, having qualified for training shall be given a fair trial for a period not to exceed ten (10) working days **unless by mutual agreement between the parties** and may be returned to his former position and seniority status if he has failed to perform satisfactorily.
 - (ii) The trainee's level of competence on the machine or job for which he is being trained will be determined by the trainer and management.
4. Employees shall be eligible to participate within the Company's tuition reimbursement program for continuing education courses (tuition fees and certain other related expenses), which contribute to the employee's present position or potential within the Company.
5. An employee must fill out an *Educational Assistance Application* through his Supervisor, and have it approved before registering. The employee will be reimbursed for cost upon graduation with a passing grade.

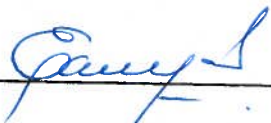

The Parties hereto have executed this Agreement this 5 day of April 2012.

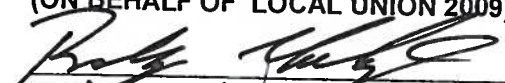


ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

ARMTEC LTD.

UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)

LETTER OF UNDERSTANDING #2

BETWEEN: ARMTEC LTD.

AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: EVA INCENTIVE PLAN

The Company will continue to extend and apply the EVA Incentive Plan for hourly workers to the employees at its Prince George plant, in consistency with the qualifications, terms and conditions of application of this incentive plan.

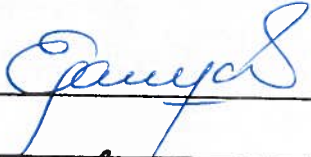
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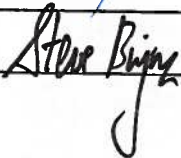
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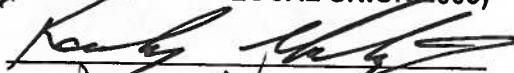
ON BEHALF OF THE UNION:

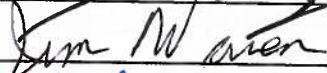
ARMTEC LTD.

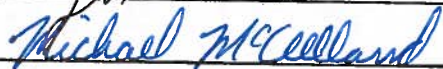
UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)











LETTER OF UNDERSTANDING #3

BETWEEN: ARMTEC LTD.

AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: FLEXIBLE WORK SCHEDULES

The parties agree to explore the issue of flexible work schedules that would work twenty-four (24) hours per day, seven (7) days per week.

The parties agree to meet with a view to reaching agreement on the implementation of flexible work schedules that may be required at certain times in the year to meet the needs of the business. It is understood should the parties not reach an agreement on shift schedules they may agree to seek the assistance of a third party to help resolve the difference(s).

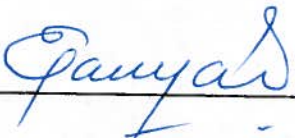
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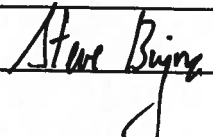
ON BEHALF OF THE COMPANY:


ON BEHALF OF THE UNION:

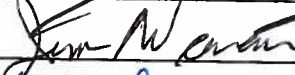
ARMTEC LTD.


UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)











LETTER OF UNDERSTANDING #4

BETWEEN: ARMTEC LTD.

AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: ESTABLISHMENT OF JOB CLASSIFICATIONS, JOB DESCRIPTIONS AND TRAINING MATRIX

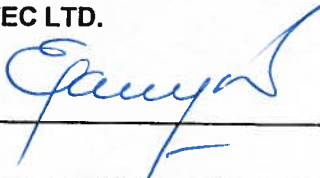
The Parties will meet with a view to establishing and agreeing on job classifications, a job description and a training/competency matrix that shall be concluded by no later than **December 30, 2012**.

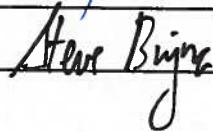
The Parties hereto have executed this Agreement this 5 day of April 2012.

ON BEHALF OF THE COMPANY:


ON BEHALF OF THE UNION:

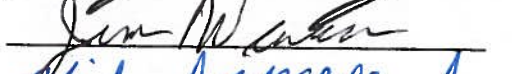
ARMTEC LTD.






UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)







LETTER OF UNDERSTANDING #5

BETWEEN: ARMTEC LTD.

AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: PROGRESSIVE CO-OPERATION

The Union agrees to continue the ongoing relationship with the Employer that has served both Parties over the years. The Union further agrees to continue to work together with the Employer to ensure the longevity of the operation in Prince George, B.C.

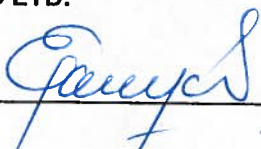
The Parties hereto have executed this Agreement this 5 day of April 2012.

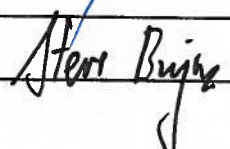
ON BEHALF OF THE COMPANY:

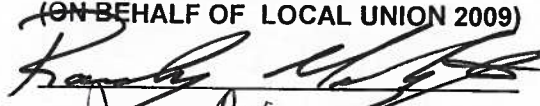
ON BEHALF OF THE UNION:

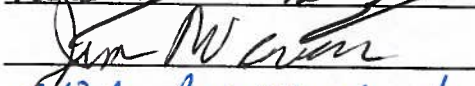
ARMTEC LTD.

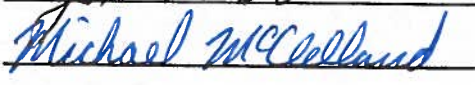
UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)











LETTER OF UNDERSTANDING #6

BETWEEN: ARMTEC LTD.

AND: UNITED STEELWORKERS
(On Behalf of Local 2009)

RE: EMERGENCY OVERTIME

The Parties to this Collective Agreement understand that the proper operation of the business may require "emergency overtime" work from time to time, and employees will be expected to co-operate fully in this matter.

The Parties are agreed that overtime is voluntary. Further, it is understood and agreed by the Parties that notwithstanding Article 5.13, in the event there is a time consideration to meet customer requirements the Company will seek overtime volunteers. In the event there are insufficient volunteers the Company will inform the Steward (s) of the situation. If no alternative is found then the Company may require full time employees in reverse order of seniority based on ability and efficiency to perform the work required for the available overtime work.


The Parties hereto have executed this Agreement this 5 day of April 2012.

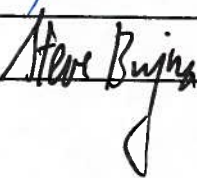
ON BEHALF OF THE COMPANY:

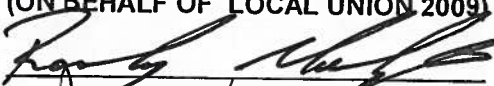
ON BEHALF OF THE UNION:

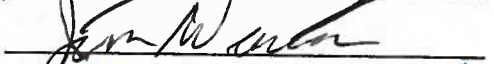
ARMTEC LTD.


UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)











LETTER OF UNDERSTANDING #7

BETWEEN: ARMTEC LTD.

**AND: UNITED STEELWORKERS
 (On Behalf of Local 2009)**

The Parties have agreed to the following process in the event the Company decides to implement twelve (12) hour shifts. It is understood the Company will inform the Union prior to scheduling these shifts.

Twelve Hour Shifts – Appendix B

1. The regular work week shall be three shifts, Monday to Wednesday or Thursday to Saturday and then once every four weeks, a Sunday to Wednesday or a Thursday to Sunday shift will be worked.
2. Employees shall be entitled to ninety (90) minutes in total in paid breaks during a twelve (12) hour shift. These must be in compliance with applicable legislation.
3. Overtime – All work performed outside the regular scheduled hours will be paid at double time.
4. Any hours worked on a day designated a Plant Holiday as specified in Article 6.01 shall be paid at double time.
5. In Article 6.01, employees shall receive Plant Holiday pay as follows:
 - If a Plant Holiday falls on an employee's scheduled work day he shall receive the day of plus twelve (12) hours pay at his regular rate.
 - If a Plant Holiday falls on an employee's regular day off he shall receive eight hours pay for that day. He shall not be entitled to an additional day off work nor to overtime pay for his regular hours worked on his next scheduled shift.

Example: Employee working Monday, Tuesday and Wednesday on the twelve (12) hour shifts would get twelve (12) hours pay at their rate of pay for a Statutory Holiday⁷ that occurs on a Monday, e.g. Labour Day. The same employee would get eight (8) hours pay for a Statutory Holiday that occurs on a non-scheduled day for them, e.g. Good Friday.
6. The first shift shall be scheduled from 7:00 a.m. to 7:00 p.m. (or 8:00 a.m. to 8:00 p.m.)
7. The second shift shall be scheduled from 7:00 p.m. to 7:00 a.m. and a shift premium of one dollar and twenty-five cents (\$1.25) per hour shall be paid for all hours worked that period.
8. The twelve (12) hour shift schedule shall be attached to this Agreement as Appendix "B".
9. Assignment of employees to the twelve (12) hour shift shall be first by shift posting in accordance with Article 19 – Job Posting followed, if necessary, by assignment in reverse order of seniority starting with the most junior employee qualified to perform the work required.
10. For the purpose of employees working the twelve (12) hour shift, a vacation shall be defined as one (1) week = forty (40) hours.

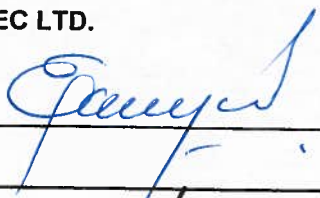
11. The understanding is that employees who work the twelve hour shifts will be paid one hundred sixty (160) hours for one hundred fifty-six (156) worked.

The Parties hereto have executed this Agreement this 5 day of April 2012.

ON BEHALF OF THE COMPANY:

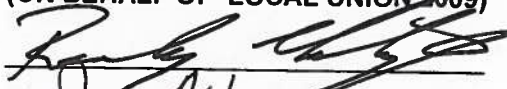
ON BEHALF OF THE UNION:

ARMTEC LTD.



Peter Bajra

UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 2009)



John W. Wynn
Michael McClelland

APPENDIX "B"

12 HOUR SHIFT SCHEDULE

| Mon | Tues | Wed | Thurs | Fri | Sat | Sun | Mon | Tues | Wed | Thurs | Fri | Sat | Sun |
|-----|------|-----|-------|-----|-----|-----|-----|------|-----|-------|-----|-----|-----|
| A | A | A | B | B | B | OFF | A | A | A | B | B | B | OFF |
| C | C | C | D | D | D | OFF | C | C | C | D | D | D | OFF |

A/B Day Shift - 2 – 3 day shifts and 1 – 4 day shift – 7:00 a.m. to 7:00 p.m. – 12 hour days

C/D Night Shift – 2-3 day shifts and 1-4 day shift – 7:00 p.m. to 7:00 a.m. – 12 hour days.

| Mon | Tues | Wed | Thurs | Fri | Sat | Sun | Mon | Tues | Wed | Thurs | Fri | Sat | Sun |
|-----|------|-----|-------|-----|-----|-----|-----|------|-----|-------|-----|-----|-----|
| A | A | A | B | B | B | A | A | A | A | B | B | B | B |
| C | C | C | D | D | D | C | C | C | C | D | D | D | D |