

COLLECTIVE AGREEMENT

BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 115

DURATION: May 1, **2012** to April 30, **2016**

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COLLECTIVE AGREEMENT

BY AND BETWEEN:

SMS EQUIPMENT INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

WITNESSETH: that the Parties hereto agree as follows:

ARTICLE 1 - OBJECTS

- 1.01 (a) The objects of this Agreement are to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement.
- (b) For the purposes of this Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

ARTICLE 2 - BARGAINING AGENCY

- 2.01 The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of the Company employed at the place(s) set out in the certificate(s) of bargaining authority and at any other premises opened or taken over by the Company in British Columbia.

- 2.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.
- 2.03 SUPERVISORS, OFFICE PERSONNEL DO NOT WORK - No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by employees in the bargaining unit, except in the instruction or training of employees.

ARTICLE 3 - UNION SECURITY

- 3.01 UNION SECURITY - Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.
- 3.02 CHECK-OFF - The Company shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month and add that employee's name and the said amount to the closest applicable check-off; i.e., if the check-off for that month has not been remitted to the Union, it shall be added to that check-off; if that month's check-off has been remitted, it shall be added to the following month's check-off and shown as the previous month worked.
- 3.03 AMOUNTS DEDUCTED - Union dues deducted under this provision or other check-off provisions shall be remitted to the Union not later than the fifteenth of the month following the month in which such check-off applies.

ARTICLE 4 - MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- 4.01 The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- 4.02 The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matters, or a claim of violation, of any Section or Article of this Agreement, may be the subject of a grievance and be dealt with as hereinafter provided.
- 4.03 The right to hire employees of its choice is vested exclusively in the Company, but when the Company requires new employees, it shall so notify the Union so that the Union shall have the opportunity to provide the Company with suitable applicants.

- 4.04 The union recognizes that the company has the right to develop, implement, and apply Company policies. Provided these policies are not in contravention of any provincial or federal laws and do not violate an employees human rights.

It is understood by the parties that the company retains the right to apply their policies subject to the Unions right to grieve any discipline imposed.

ARTICLE 5 - DEFINITION OF EMPLOYEE

- 5.01 In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for whom the Union has been certified as the collective bargaining agent by the Labour Relations Code of B.C. "Employee" shall also mean a person employed in a job classification listed in Appendix "A" attached hereto, and working at or from any premises opened or taken over by the Company in British Columbia.

ARTICLE 6 - HOURS OF WORK AND OVERTIME

- 6.01 DAY SHIFT - The standard work day shall consist of eight (8) hours, 8:00 A.M. to 4:30 P.M. The standard work week shall consist of forty (40) hours, Monday to Friday. Graveyard shift shall lead off at 12:01 A.M. Monday.

Hours of work in the Shop may be changed by mutual agreement between the Company and the Union, and will reflect local branch conditions and requirements.

- 6.02 AFTERNOON SHIFT - Effective May 1, 2010, if a second shift is employed, the hours of work shall be seven and one-half (7-1/2) hours of work between the hours of 4:30 P.M. and 12:30 A.M. for which eight (8) hours will be paid and a shift premium of fifty cents (50¢) shall be added on to the classified hourly rate. Coquitlam branch work 8, paid 8 schedule two dollars (\$2.00) per hour premium.

Hours of work in the shop may be changed by mutual agreement between the Company and the Union and will reflect local branch conditions and requirements.

- 6.03 NIGHT SHIFT - If a third shift is employed, the hours of work shall be seven (7) hours of work between the hours of 12:30 A.M. and 8:00 A.M. for which eight (8) hours shall be paid and a shift premium **as follows** shall be added on to the classified hourly rate:

May 1, 2012 - \$1.25 per hour

May 1, 2014 - \$1.50 per hour

Hours of work in the shop may be changed by mutual agreement between the Company and the Union and will reflect local branch conditions and requirements.

- 6.04 LUNCH PERIOD - Each shift shall have a half hour lunch period at mid-shift.
- 6.05 SHIFT CHANGE - The Company shall give the employee forty-eight (48) hours' notice prior to changing of shifts.

- 6.06 SHIFT - TRANSFER OF EMPLOYEE - When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, unless such consecutive normal working days are interrupted by normal days off, or the overtime rates as provided for in this Agreement will apply.
- 6.07 SHIFT - START AND STOP TIMES - If an employee is working on the second or third shift and is unable to start the shift on time and/or to complete the shift, then the hourly rate for such an employee shall be computed by dividing the employee's total pay for a regular full shift by the applicable total number of hours he would be required to work to qualify for a full second or third shift, multiplied by the actual hours worked.
- 6.08 PROVINCIAL FIRE REGULATIONS- In cases where hours of work must be varied in customers' camps to comply with Provincial Fire Regulations such work as is carried out under these conditions shall be at straight time rates for the first eight (8) hours.
- 6.09 SHIFT ROTATION - When employees are being worked on two (2) or more shift schedules and where a majority of the employees request it, they shall rotate shifts. The rotation shall be from graveyard shift to afternoon shift.
- 6.10 OVERTIME AND SAFETY
- (a) All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime and paid at double time.
 - (b) The Corporate Work Alone Policy shall be adhered to; this includes the Field Level Risk Assessment (Section 7 of the Health and Safety Manual- Hazard Identification, Assessment and Control)
- 6.11 OVERTIME VOLUNTARY - All overtime shall be on a voluntary basis. It is agreed that overtime may be necessary in order to respond to the efficient operation and service requirements of the business.
- 6.12 OVERTIME NOT PART OF DAILY GUARANTEE - Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.
- 6.13 OVERTIME - CALCULATION OF - Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when employee works overtime, his time worked shall be calculated on a fifteen (15) minute unit basis. If an employee works any part of a fifteen (15) minute unit, he shall receive credit for time worked for that full fifteen (15) minute unit.

If the Company has a time clock when an employee works overtime his time worked shall be calculated on a 10 or 12 minute period depending on time clock calibration. If an employee works any part of a 10 or 12 minute unit, he shall receive credit for time worked for that full 10 or 12 minute unit.

- 6.14 (a) OVERTIME MEAL - Employees who work beyond ten (10) hours per day shall receive a minimum of one-half (1/2) hour's pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable the Foreman shall grant same. This break shall occur at the regular meal hour.
- (b) The Company shall pay the cost of such a meal subject to the following conditions. The meal allowance for the Greater Vancouver area will be a maximum of thirteen dollars and fifty cents (\$13.50) for meals, and in the areas outside Vancouver the employees will buy a meal at the going rate of the area involved and be reimbursed for the cost. In all cases receipts shall be obtained and turned in to the Company with the amounts being justified by the prices in the area involved.
- (c) In lieu of (b), Employees working in the field beyond ten (10) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

- 6.15 REST BETWEEN SHIFTS - It is intended that every employee should have eight (8) hours' rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have elapsed.

CLARIFICATION: Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

- 6.16 WORK BEFORE REGULAR SHIFT - Employees called in before their regular starting time shall be paid at the double time rate for time worked prior to their regular starting time.
- 6.17 WORK AFTER REGULAR SHIFT - Employees called back to work after their regular shift shall receive a minimum of four (4) hours' pay at the prevailing overtime rate.
- 6.18 WORK ON SATURDAY, SUNDAY, GENERAL HOLIDAYS - Double time for all hours worked on a Saturday, Sunday or on any General Holiday listed in Article 11, or day observed as such under the terms of this Agreement. This double time is in addition to any General Holiday pay an employee may be entitled to under other provisions of this Agreement.
- 6.19 WORK THROUGH REGULAR LUNCH PERIOD - Where an employee is required to work through his regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.
- 6.20 WORK WEEK - GUARANTEED
- (a) An employee who reports for work at the start of the standard work week shall be guaranteed full pay for the balance of the standard work week. The forty-eight (48) hour notice of lay-off provided in the Seniority Section of this Agreement shall take precedence when an employee is laid off on a Thursday. He would work Friday and Monday and by working Monday is not entitled to full pay for that week.

If an employee of his own volition does not report for his regular shift or shifts, then his weekly minimum five (5) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base 5.

The provisions of this section shall not apply in the event of:

- (i) An emergency such as fire, flood, power failure etc., beyond the control of the Company, or if;
- (ii) An employee voluntarily leaves the work site, quits or is discharged for just cause, or;
- (iii) Recalls from layoff of five (5) days or less.

In any such event or circumstance occurring as outlined in (i), (ii) or (iii) above, the employee shall be paid for the actual time worked at applicable wage rate.

6.21 WORK WEEK - TUESDAY TO SATURDAY

- (a) If business conditions warrant that a Tuesday to Saturday work week be considered, the Company and the Union will discuss the establishment of such a schedule. If such a work week is established, a premium of forty cents (\$.40) per hour for all hours worked will apply.
- (b) Staffing for a Tuesday through Saturday work schedule shall first be on a voluntary basis. Secondly, the Employer shall give consideration to seniority in the classification, it being understood that the least senior employee to be considered first.
- (c) Lay-offs and lay-off notice shall be in accordance with Article 9.04. However, lay-off notice shall be exclusive of Sundays, Mondays and General Holidays.

6.22 CALL TIME

- (a) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours' pay at his regular rate.

The provisions of this section shall not apply in the event of:

- (i) An emergency such as fire, flood, power failure, etc., beyond the control of the Company, or if;
- (ii) An employee voluntarily leaves the work site, quits or is discharged for just cause.

In any such event or circumstance occurring as outlined in (i) or (ii) above, the employee shall be paid for the actual time worked at applicable wage rate.

- (b) An employee called to work on a Saturday, Sunday or on a General Holiday, (or days observed as General Holidays), shall receive a minimum of four (4) hours' pay at the prevailing overtime rates.

6.23 PREPARATION TIME - The Company will pay one (1) hour personal preparation time to employees being sent on out-of-town jobs for a period of overnight or longer at regular rates up to time and one-half. This will not be paid if an employee prepares for a trip during his normal working hours or if the employee has had a minimum of twenty-four (24) hours notice that he will be going out-of-town.

6.24 PARTS DEPARTMENT: WORK WEEK

- (a) Any shift which commences from 7:30 A.M. but not later than 9:00 A.M. shall be considered a day shift. A Shift commencing after 9:00 A.M. and prior to 6:00 P.M. shall be considered an afternoon shift. Any shift commencing after 6:00 P.M., and prior to 7:30 A.M. shall be considered a third or graveyard shift.

Hours of work may be changed by mutual agreement between the Company and the Union and will reflect local branch conditions and requirements.

- (b) The lunch period in the Parts Department will be determined by the Company and the Union.
- (c) Shifts may be arranged on a Monday to Friday or a Tuesday to Saturday basis.
- (d) Employees on a Tuesday to Saturday schedule will receive a premium of one dollar (\$1.00) per hour for all hours worked during the week.
- (e) Clarification of Tuesday to Saturday Work Week: The Tuesday to Saturday Work Week shall be on a voluntary basis, unless the Company cannot obtain enough volunteers to fill the requirements, then the junior men in the required categories will be requested to work such shift.
- (f) Where the Company has to appoint men to this shift, any one period of service shall not exceed thirty (30) days.
- (g) The standard work week shall consist of forty (40) hours on day shift, Tuesday to Saturday inclusive. Sundays and Mondays shall be regular days off for this shift, and any work performed on these days off shall be paid at overtime rates as provided in this Agreement.
- (h) Note: Tuesday to Saturday work week: Sunday and Monday being regular days off, any General Holiday falling on or celebrated on these days off shall be celebrated on Tuesdays. All General Holiday payment provisions contained in this Agreement shall be applicable to this Tuesday General Holiday.
- (i) Employees called back to work after completion of a regular day's work, would be covered by the regular call back provisions contained elsewhere in the Agreement.

(j) Standby/Callout Time

1. All Parts Department employees will be compensated for parts call out on the following basis. For each call out after a regular shift: If the employee fills the order at home and is not required to travel to the branch then the employee shall be compensated a minimum of (1) hour at overtime rate and (1) hour pension / RRSP contribution. If the employee is required to travel to the Branch then the employee shall be compensated a minimum of two (2) hours at the overtime rate and two (2) hours pension / RRSP contribution.

No call out pay as per 6.17 shall be paid. For any orders to be filled after 10:00 P.M. the employees shall receive the benefits of article 6.17.

2. Employees who fill a parts order shall not be required to stay for the four (4) hours if called out under the provisions of article 6.17.
3. Standby/Callout will be done on a rotating basis. Employees designated to standby for callout shall receive **one hundred dollars (\$100.00)** per week Monday to Monday.

6.25.1 **(a) Banked Overtime-** It is mutually agreed that overtime may be banked, employees shall state whether overtime is to be banked or paid at the beginning of each fiscal quarter. An employee may bank overtime equivalent to one hundred sixty (160) hours straight time maximum. All overtime worked thereafter shall be paid at the appropriate rate to said employee. Banked overtime may be cancelled by either party upon ninety (90) days written notice. Banked overtime is definitely not to be taken in June to August holiday period unless acceptable to the Company. All unused bank time must be paid out at the end of the Company's fiscal year. **Banked time can be carried over to March 31 at which time the previous year's banked time shall be paid out.**

Banked time will be used to minimize lay-offs. Selection of employees to use banked time off shall first be on a voluntary basis, and secondly according to seniority, subject to the operating needs of the business.

Banked hours may be withdrawn by an employee in whole or in part at their regular rate at the time of withdrawal. In the event that an employee also wishes time off, such time will be by mutual consent and subject to the operating needs and service requirements of the business.

Banked hours may not be withdrawn during a month in which a disciplinary suspension occurs unless the banked off had been arranged prior to the disciplinary suspension being levied.

Banked overtime shall not be taken in the June to the end of August Holiday season unless approved by the Company.

(b) Banked Overtime Bonus: Effective May 1, 2012, employees shall receive the equivalent of one (1) regularly scheduled day of work hours into the Overtime Bank and every May 1 following. There shall be no carry over.

New employees shall be granted Banked Overtime Bonus after three (3) months of employment.

ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 Should a dispute arise between the Company and an employee or the Union regarding the interpretation, application, operation or any alleged violation of this agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following manner.

Employees shall attempt to settle any differences, complaints or disputes with their immediate supervisor before proceeding with the grievance procedure. Employees are encouraged to promptly bring forward any differences so that all problems can be clearly understood and resolved.

STEP A - The employee or the Union, together with such person or persons as the employee or the Union may wish, shall take the matter up with the Company within thirty (30) days of the employee becoming aware of the dispute. Written grievances must be filed within this thirty (30) day time period.

Within fifteen (15) days of taking the matter up with the Company, the Company will provide a response to the grievance.

STEP B - Should a solution not be reached by Step A, then a business representative of the Union, accompanied by the employee and/or the employee's shop steward shall discuss the matter with the Company. If a solution is reached this shall be final. This meeting shall take place within fifteen (15) days of the Company's response to Step A.

Within fifteen (15) days of the meeting, the Company will provide a response to the grievance.

Any time limits fixed in this article for the taking of action by either party or by an employee may at any time be extended by mutual agreement in writing. Such requests shall not be unreasonably denied. Any grievance not dealt with within the time limits contained in this article or not mutually agreed to extension shall be deemed to be abandoned.

It is agreed that either the Company or the Union may file policy grievances. Grievances of this nature shall include issues, which affect two or more employees, the rights of the Company or the rights of the Union. These grievances shall be submitted at Step B.

STEP C - If an agreement is not reached under the provisions of Step B above, upon mutual agreement between the Union and the Company and at any time prior to the appointment of an Arbitration Board, or other body, another party may be requested to confer with the Union and the Company to assist in the settlement of any difference arising from an alleged violation of this Agreement. Within ten (10) days of appointment, the selected party will make inquiries which it considers adequate and will submit in writing recommendations for settlement of the difference which will not be binding upon either the Union or the Company or detract from their privileges under this Agreement. All expenses incurred by the appointed party will be paid equally by the Union and the Company. The parties may agree that the recommendation rendered at this Step will be binding on both parties. If a solution is reached, this shall be final.

- 7.02 GRIEVANCE - TIME LIMIT - Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, (exclusive of Saturdays, Sundays and General Holidays), in writing, require the Company to give him the reasons for his discharge or suspension and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of such an employee, only the reasons so set forth in writing, shall constitute cause.
- 7.03 CANADIAN JOINT GRIEVANCE PANEL - The parties may, upon mutual agreement, refer any outstanding grievance to the Canadian Joint Grievance Panel process. The parties will follow the rules of procedure as outlined by the Canadian Joint Grievance Panel Inc. unless mutually agreed otherwise. The Panel decision shall be final and binding on the Parties, but will not be precedent setting. The Panel shall not have the authority to change this Agreement or to alter, modify or amend any of its provisions. However, the panel shall have the authority to dispense of a grievance by any arrangement that is deemed just and equitable. It is further agreed that in the event the Panel is unable to render a majority decision that the grieving party may refer the matter to arbitration as outlined in Article 8 or, withdraw the grievance.
- 7.04 Section 87 (1) Grievances pertaining to discharge and suspension will not be processed under section 87 (1) of the Labor Relations Code of B.C. unless there is mutual agreement between the Parties

ARTICLE 8 - ARBITRATION

- 8.01 If the procedures set forth in Section 7.01, Step A and Step B, do not result in a solution being reached within seven (7) days of the Company's response at Step B, or within such further period as the Company and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:
- (a) The Party desiring arbitration shall appoint a member for the Board and shall notify the other Party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
 - (b) The Party receiving the notice shall within five (5) days appoint a member for the Board and notify the other Party of its appointment.

- (c) The two (2) Arbitrators so appointed, shall confer to select a third person to be Chairman, and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Minister of Labour of British Columbia to appoint such third member.
 - (d) The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the Parties may extend the time by agreement in writing.
 - (e) The Parties may mutually agree that a sole arbitrator be appointed in place of a three (3) person board. The decision of the sole arbitrator shall be deemed to be the decision of the Board and shall be final and binding. All expenses incurred by the sole arbitrator shall be paid equally by the Parties. Each Party shall pay its own costs.
- 8.02 If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Company and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time provided, that if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or date of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the Company pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board if circumstances are established before it, which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have authority to order the Company to pay less than the full amount of wages lost.
- 8.03 The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.
- 8.04 If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either Party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.
- 8.05 The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.
- 8.06 Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 9 - SENIORITY

9.01 SENIORITY LIST - The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.

9.02 PROBATIONARY PERIOD - When a new employee is hired, it is agreed that he shall be on probation for four hundred eighty hours worked (480) and during this period, seniority will not be applicable. When the probationary period is completed, seniority will commence from the original date of hiring.

The four hundred eighty hours (480) worked shall be cumulative in a consecutive six (6) month period.

For the purposes of this article, a working day is defined as any day in which a minimum of eight (8) hours is worked.

A probationary employee who works three hundred twenty (320) cumulative working hours in a consecutive six (6) month period will be eligible for benefit coverage, pursuant to Article 19, effective the first day of the month following the completion of his three hundred twenty (320) working hours, providing the employee remains actively employed. Article 19.05 and 19.06 will not apply to such probationary employee. Should the employee be laid off prior to attaining four hundred eighty (480) cumulative working hours, the employee will maintain his eligibility for Article 19 benefits until the end of the month of lay-off. Upon recall from layoff, the employee will become eligible for Article 19 benefits commencing the first of the month following recall, providing the employee remains actively employed and that the three hundred twenty (320) working hours in a consecutive six (6) month period continues to be met. Such probationary employee will not have seniority status.

9.03 EMPLOYEE - RE-EMPLOYMENT - An employee re-entering the employ of the Company within twenty-four (24) months shall not be subject to another probation period.

9.04 LAY-OFFS

(a) In the event of lay-offs, seniority shall be recognized. The principle of last man on, first man off, shall prevail, subject to job classification. The Company shall give at least forty-eight (48) hours' notice on lay-offs, exclusive of Saturdays, Sundays and General Holidays.

If lay-offs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.

If lay-offs are to take place out of seniority, the company will discuss the matter with the Union during the forty-eight (48) hour notice period. If no agreement can be reached, the lay-offs will occur and the matter referred to the grievance procedure.

- (b) An employee laid off in one classification will be given the opportunity of displacing an employee with less seniority in a higher position provided the senior employee has the capability to perform the job.

Employees who bump to another job will be paid the wage rate for the new position.

Employees who accept a position under this Article shall have the right to reinstatement in their former position when such becomes available. The job, in such instances, shall not be posted and the employee will be reinstated in his former classification.

9.05 BRANCH SENIORITY

- (a) When an employee is transferred to another branch through the posting procedures as set forth in this Agreement, he shall be slotted into the branch seniority list in accordance with his Company seniority.
- (b) Employees shall not use company seniority to bump into other branches on layoff.
- (c) Temporary Branches: Where a new branch is opened and subsequently closed for whatever reason, any employee having transferred to that branch shall have the right to return to the branch from which he/she transferred with full recognition of seniority. Branches shall be recognized as temporary when opened for less than 12 months. Temporary branches that have been operating for one (1) year or more shall be deemed permanent branches and the aforementioned shall no longer apply.
- (d) Senior Branch employees may bump a resident mechanic attached to the Branches seniority list but only after being laid off in excess of ten (10) consecutive working days inclusive of Statutory Holidays.

9.06 SENIORITY RETENTION

- (a) A laid-off employee shall retain his seniority and recall rights with the Company for twelve (12) months after the date of lay-off.
- (b) If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such lay-off.

9.07 RE-CALL - When vacancies occur, the Company shall rehire laid-off employees according to their seniority and the principle of last man off, first man on, shall prevail, subject to their classification.

The Company shall contact laid-off employees either personally, by mail or through the Union dispatcher at the address or at the telephone numbers supplied by the employee. It shall be the responsibility of the employee to keep the Company and the Union informed of his current address and telephone number while laid-off. If a laid-off employee does not maintain contact with the Company and/or Union and if unable to make personal contact with laid-off employee(s), the Company shall send the employee a couriered letter with a copy to the union. Seventy-two (72) hours after it is couriered, if no response is received

directly from the employee, they will automatically forfeit their right of recall and seniority and receive layoff pay in accordance with article 9.08.

Employees who are recalled and offered a minimum of four (4) weeks work by the Company and who refuse the recall will automatically forfeit their right of recall and seniority and receive layoff pay in accordance with Article 9.08.

An employee missing an opportunity for temporary recall as a result of the Company being unable to contact him/her, resulting in the issuance of a couriered letter, the employee will have no recourse to claiming the lost opportunity. An employee missing an opportunity for permanent recall, or should a temporary recall become permanent, the Employee will have the right to claim the opportunity as long as the Employee has responded to the Company's couriered letter in the time frame so provided.

9.08 LAY-OFF PAY - If an employee is laid off for a period that exceeds his right to recall as provided for in the seniority provisions of this agreement, he shall be entitled to the following grid as per his entitlement:

1 year but less than 3 years	1 weeks pay
3 years but less than 5 years	2 weeks pay
5 years but less than 10 years	3 weeks pay
10 years and over	4 weeks pay

An employee may elect to accept lay-off pay under the provisions of this Section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of his term of service with the Company.

9.09 CLEANUP TIME ON LAYOFF OR TERMINATION - Employees with six (6) months continuous service when laid off or terminated shall be given up to one (1) hour on their last working day to gather their tools and personal belongings.

9.10 MOONLIGHTING

No employee shall undertake any work outside the Company premises, which could be construed in any way as competitive with the Company. It is understood that an employee on layoff may practice his trade but may not solicit business from the Company's customers as a self-employed person.

The term "moonlighting" shall refer to an employee who works for two or more employers. When this practice affects the Company's business or the employee's ability to perform his job, it shall be cause for discipline.

Prior to undertaking any personal interest or employment, which could be in conflict with this Article, the employee will advise and receive approval for same from Management and the Union.

ARTICLE 10 – VACATIONS

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

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION PERIOD</u>	<u>VACATION PAY</u>
Less than 1 year but less than 7 yr	3 weeks	6.92% or 120 hours*
7 years but less than 12 years	4 weeks	9.22% or 160 hours*
12 years but less than 17 years	5 weeks	11.60% or 200 hours*
17 years but less than 22 years	6 weeks	14.06% or 240 hours*
22 years but less than 27 years	7 weeks	16.60% or 280 hours*
27 years and over	8 weeks	19.22% or 320 hours*

* pay at employee's current classified rate, whichever is greater at the time the vacation is taken.

*New employees hired after April 13, 2010 will receive vacations and be paid for the vacation with the above schedule to a maximum of 5 weeks and 11.60%.

- 10.02 CALENDAR YEAR - For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, the Parties agree that when an employee has earned a minimum of fifteen hundred (1500) hours for which wages are payable in an employee's calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.

Employees who work less than fifteen hundred (1500) hours shall be paid as the case may be 6.92%, 9.22%, 11.60%, 14.06%, 16.60% or 19.22% of their gross earnings for the work year immediately preceding the vacation period.

- 10.03 VACATION PAY ON TERMINATION - In the event of termination of service with the Company after an employee had his vacation he earned for the previous year, he shall receive as vacation pay_six point nine two percent (6.92%), nine point two two percent (9.22%), eleven point six percent (11.60%), fourteen point zero six percent (14.06%), sixteen point six percent (16.60%), or nineteen point two two percent (19.22%) as the case may be of his gross earnings he earned in the year in which he ends his employment for which no vacation has been paid.

- 10.04 (a) VACATION PAY - STATEMENT OF - On each employee's anniversary date the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payment, commissions, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.

- (b) Vacation pay based on the appropriate percentage of gross earnings shall be paid out to each employee on each pay period.

At the time the vacation is taken, the employee shall then be paid the difference subject to Article 10.02.

Upon written request of an employee, the Company shall make an optional second deposit into a separate account of an employee specified amount.

- 10.05 VACATION PERIOD – The Company will post a list of employees and vacation entitlements at the beginning of each year. All employees shall be listed in order of seniority by classification/department and shall have submitted their request for vacation by March 31 of that year. The Company shall have vacation period allocated by classification/department by April 15 of that year. Vacation requests submitted after March 31 will be on a first come, first served basis.

If an employee so requests, the Company will provide three (3) weeks of the employee's vacation time in the summer months (May 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority.

The Company will consider four (4) weeks' vacation during the summer months for those employees eligible for five (5) weeks or more vacation, if so requested.

- 10.06 VACATION ENTITLEMENT - In any year that an employee becomes entitled to an additional vacation upon reaching his anniversary date of employment, he will be entitled to one (1) week's vacation with pay at that time.

(i.e.- An employee who reached his second (2nd) anniversary on October 1st would be entitled to one (1) weeks vacation at that time plus two (2) weeks vacation in the ensuing vacation period or he could save his newly achieved vacation time and take three (3) weeks vacation in the ensuing vacation period).

- 10.07 VACATION - ANNIVERSARY DATE AND CUT-OFF DATE - An employee's anniversary of employment date will govern his attainment of vacation entitlement. His vacation pay and time off will be adjusted from his anniversary date to the cut-off date.

The Company may establish a vacation cut-off date.

- 10.08 VACATIONS - SCHEDULE CHANGE - An employee's scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.

Up to fifteen percent (15%) of the workforce may be on vacation at any one time.

- 10.09 VACATIONS - REQUIREMENT TO TAKE - Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.

- 10.10 VACATION ENTITLEMENT - RELATED TO STATUTES - The entitlements of an employee under this Section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any Orders or Regulations made thereunder.

10.11 VACATION ENTITLEMENT - Eligibility for vacations shall be maintained, but not accumulated during absence.

- (a) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
- (b) with authorized leave of absence.

10.12 Eligibility for vacations will be maintained and accumulated during absence due to:

- (a) a compensable accident;
- (b) serving in the non-permanent Armed Forces of Canada;
- (c) temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.
- (d) lay-off, so long as the employee retains his right to recall.

ARTICLE 11 - GENERAL HOLIDAYS

11.01 The Company shall give to each employee a holiday with pay on each of the designated general holidays. For each such holiday an employee shall be paid not less than the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work. An employee shall receive such holiday pay even if the holiday falls on a Saturday, Sunday or an employee's weekly day off. The designated general holidays shall be:

- | | |
|-------------------|---------------------|
| 1. New Year's Day | 7. B.C. Day |
| 2. Heritage Day | 8. Labour Day |
| 3. Good Friday | 9. Thanksgiving Day |
| 4. Easter Monday | 10. Remembrance Day |
| 5. Victoria Day | 11. Christmas Day |
| 6. Canada Day | 12. Boxing Day |

and any other holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government will be paid for.

11.02 GENERAL HOLIDAY - SATURDAY & SUNDAY - When a General Holiday falls on a Saturday or on a Sunday or on an employee's weekly day off then the next work day shall be observed as the Holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday, respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.

11.03 GENERAL HOLIDAY PAY PROVISIONS - Without limiting the general application of Section 11.01 but subject to the provisions contained herein, general holiday pay provisions are as follows:

- (a) Where an employee is off work due to any circumstance for which he is eligible to receive compensation under Workers' Compensation Act, provided such employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. When an employee is receiving payment from the Company's Insurance Company or Workers' Compensation for a General Holiday, then the Company will not pay the employee for the same holiday.
- (b) Where an employee is off work due to sickness, quarantine, or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor's certificate shall be submitted as proof of disability.
- (c) Where an employee is laid off or is on an approved leave of absence provided such an employee has earned wages from the Company during the two (2) calendar weeks immediately preceding the week in which the holiday occurs.
- (d) Where an employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.

11.04 GENERAL HOLIDAY - DURING VACATION - When a general holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

11.05 **GENERAL HOLIDAY – ALTERNATE DAY**

The Company shall have the option of providing an alternate day(s) for those employees required to work Easter Monday to provide customer service. The alternate day shall, by mutual agreement, be either the last working day prior to the holiday or the Friday following the holiday.

ARTICLE 12 - WAGES

12.01 The Company shall remunerate an employee at the wage rate applicable to the job classification and branch that such an employee is employed in. The job classification and applicable wage rates shall be those agreed upon and set out in Appendix "A", attached hereto, and forming part of this Agreement.

12.02 (a) **PAY STATEMENT** The Company will issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

- (b) PAY STATEMENT - The Company shall, every second Friday or another designated pay day, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Payment of wages will be made by direct deposit into employee's pre-arranged bank accounts on the designated paydays. Where a payroll is not met within the prescribed time and unless proper reasons for the delay are forthcoming, it shall not be considered a violation of this Agreement for the employees to cease work until the wages are paid or other arrangements are made.

In the event that an employee is laid off, the Company shall courier a cheque for all monies owing to the employee to the Branch for delivery to the laid off employee. The cheque will be issued without undue delay unless the employee requests a direct deposit on the next scheduled payday.

- 12.03 TIME SLIPS - An employee shall be required, on Company time, to fill out time slips, service reports and job or work reports daily if the Company so requests.

12.04 CONSTRUCTION RATES

- (a) Construction rates of pay shall be paid to employees to install permanent machinery on construction sites or who do repair work on construction sites that would otherwise be done by members of Building Trades Unions. The construction rates of pay shall only apply to the actual hours worked on the construction site.
- (b) Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

- 12.05 ACCIDENTS - PAY TO EMPLOYEES - Employees involved in an accident while on the job shall receive eight (8) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

- 12.06 WAGE RATE - HIGHEST DAILY RATE - Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.

- 12.07 OFF PROPERTY PREMIUM (ALL AREAS) – The Company will pay a premium **effective May 1, 2012 - \$2.00 per hour, May 1, 2013 - \$2.25 per hour and May 1, 2014 - \$2.50 per hour** for all time spent on Company business while off Company property. Off-property premium will be included with rate for overtime.

ARTICLE 13 - TRAVEL TIME - TRANSPORTATION - EXPENSES

- 13.01 (a) Travel time during the employee's regular shift will be paid for at straight time.
- (b) Travel time at double time rates shall be paid outside the regular hours of work for those employees traveling in Company or rented trucks or cars. This provision shall not apply when an employee is traveling by a public carrier or to and from a public carrier.
- (c) Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicle licensed to transport passengers and operated by a licensed operator (exclusive of Company trucks or cars mentioned in (b) preceding). Buses, aircraft or boats that may be chartered or purchased by the Company to transport employees shall be licensed to transport passengers and operated by an operator holding a current appropriate license to do so.
- (d) Travel time by employees outside the regular shift hours under (c) preceding shall be at time and one-half.
- (i) Travel time authorized by the Company or the customer outside the employee's regular shift hours, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four (24) hour period. The exception to this provision would be where first class sleeping accommodation is provided. In this instance, time would cease at 9:00 P.M., and commence at 8:00 A.M., the next day.
- (ii) All travel time for Saturday and Sunday and any holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four (24) hour period.
- (e) Travel time as set out in Article 13.01 shall include the following premiums:
- off-property premiums
 - shift premiums as per Article 6.02 and 6.03
 - lead hand
 - charge hand
 - first aid
 - northern allowance
 - Tuesday to Saturday shift premiums
 - New employees hired after August 30th, 1994 shall not receive northern allowance.

13.02 WORK OUTSIDE BRANCH AREA - Employees required to report for work outside the base branch and who cannot return home daily, shall be paid all their transportation, accommodation and meal expenses, and other reasonable, miscellaneous, listed, receipted items.

13.03 WORK OUTSIDE CITY LIMITS

- (a) In going to work outside the limits of Greater Vancouver and returning daily, men shall be at such city limits at the starting time, and allowed time to return to such city limits at the close of the work day. They shall be paid all fares to and from the city limits to place of work, or alternatively, be supplied with transportation by the Company. It is understood that where employees reside in the city where the work is being done, they shall report to and finish work at the regular starting and stopping time.
- (b) All time spent driving or riding in a motor vehicle to and from such job or jobs shall be considered as time worked.

13.04 JOBS AWAY FROM HOME

- (a) When an employee is going out on a job which will require his absence from home for one or more nights, the Company shall inform such an employee, on or before the day of his departure, of the approximate length of time he will be out on the job. If an employee is sent out on one job and subsequently is assigned to other jobs, the total period will not be extended beyond fourteen (14) days.
- (b) If there is reason to extend this period, and the employee requests to return home, the Company will transport such an employee back to his home base and during such transportation such an employee shall be accorded all the benefits and conditions as to traveling as provided under this Agreement.
- (c) This will not preclude long term out-of-town assignments which will be arranged in advance.

13.05 STANDBY TIME - If an employee reports to a field job outside the Greater Vancouver area and through no fault of his own, is unable to work, he shall immediately contact the Company for instructions. Nevertheless, while being required to stand by the job, he shall be paid for a regular shift of eight (8) hours in each twenty-four (24).

13.06 LAY OVER TIME - Where an employee is required to remain in the field on Saturday, Sunday or a General Holiday, he shall be paid eight (8) hours for each such day at straight time rates.

13.07 EMPLOYEE VEHICLES - Employee vehicles shall not be used on Company business.

13.08 REIMBURSEABLE EXPENSES - The Company will reimburse expenses within ten (10) working days after receipt of an expense claim in instances where a travel advance was not provided. In the instance of a travel advance being given, payment of expenses will be processed through normal payroll channels.

ARTICLE 14 - LEAVE OF ABSENCE

14.01 UNION SERVICE

- (a) The Company shall allow time off work without pay for any employee who is serving on a Union Committee for purposes of discussions with the Company, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.
- (b) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.

14.02 LEAVE OF ABSENCE DUE TO INJURY OR ILLNESS

- (a) When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can return to work.
- (b) When any employee suffers an injury or illness which requires his absence, he shall report the fact to the Company as soon as possible, prior to his actual starting time, so that adequate replacement may be made if necessary.

14.03 LEAVE OF ABSENCE - APPLICATION FOR - If an employee desires a leave of absence for reasons other than those referred to in this Section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union.

14.04 LEAVE OF ABSENCE - OTHER EMPLOYMENT DISALLOWED - In any instances where an employee accepts other employment without the consent of Management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

14.05 MATERNITY/PATERNAL LEAVE

Time off for Maternity and Paternity leave are as per the minimum requirements outlined in the Employment Standards Act.

Medical, dental and pension benefits to be continued during this leave, as per the Employment Standards Act.

14.06 INSURED BENEFIT COVERAGE

The Company shall maintain basic medical, extended health and dental coverage under Article 19 for twelve (12) months for employees who are on Long Term Disability or W.C.B. claims. If a claim exceeds twelve (12) months, the Company will review the case and may extend the coverage for up to an additional eighteen (18) months, if the probability of continued employment with the Company exists.

Tool, boot and safety glasses allowances will be prorated based on the number of weeks worked during the contract year and will not include the term of any leave of absence.

ARTICLE 15 - GENERAL PROVISIONS

15.01 LUNCH ROOM

- (a) The Company will supply suitably enclosed heated accommodation where employees may have their lunch. Lockers for personal storage shall be provided.
- (b) Where job duration and size of job warrants, suitable portable lunchrooms will be supplied on jobsite where customers allow. Microwave ovens and fridges will be included subject to approval of customer.

In the event of an objection by a customer, the Company agrees to meet with the Union and the customer to discuss their obligations under this article and to seek a resolution to the problem.

All branch lunchrooms to have microwave oven and a fridge.

15.02 REST PERIODS

- (a) An employee shall be granted two (2) **fifteen (15)** minute breaks during the course of each shift one (1) in each half of the shift. An employee shall be granted a **fifteen (15)** minute break after each two (2) hours of overtime he works in any day. If an employee is working off the Company's premises, these periods shall be increased to fifteen (15) minutes.

Additionally, an employee working in the shop shall be granted one (1) ten (10) minute break prior to commencing overtime at the end of the regular shift.

- (b) When work is scheduled for twelve (12) hour shifts in the field, the coffee and lunch breaks per shift will be three (3), **thirty (30)** minute breaks. The time when each break will be taken will be by mutual agreement between the Company and crew.

15.03 CLEAN-UP - Employees shall be allowed a minimum of five (5) minutes personal clean-up time each shift, such time to precede the end of the shift.

15.04 SHOP TEMPERATURE - With the cooperation of employees, the Company will attempt to maintain shop temperature above 50 degrees Fahrenheit (10 degrees Celsius), during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -20 degrees Fahrenheit (-29 degrees Celsius), unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

15.05 SHOP STEWARD

- (a) The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name or names of such Shop Steward or Shop Stewards. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.

- (b) When the Company for any reason finds it necessary to layoff or terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
- (c) Upon informing Management, authorized agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.
- (d) The Shop Steward shall be allowed reasonable time during working hours to carry out his duties. Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.

15.06 PICKET LINE - It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and an Employer with whom the picketing Union has a dispute.

15.07 BONDING - If, at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company. An employee shall not fill out the required bonding application form until such application form has been sanctioned by the Union.

15.08 TOOL INSURANCE - The Company shall provide, at its expense, tool insurance coverage to each eligible Journeyman and Apprentice. Such coverage shall pay the cost of replacing an employee's tools, tool for tool, at no cost to the employee. Each employee will provide a brand name inventory of his tools on each anniversary date of the Agreement on a form supplied by the Company to be eligible for tool insurance.

Such tool insurance shall include coverage on an employee's tool box.

The Company shall repair power tools agreed to have been worn or damaged as a result of work at SMS Equipment. Other worn/damaged tools are to be covered by manufacturer's warranty. Stolen tools shall be replaced; however, the Company reserves the right to require an employee to complete a police theft report.

15.09 TOOL ALLOWANCE - Journeymen Mechanics, Electricians, Machinists, Winders **and Apprentices in these classifications** with 12 months' service shall receive **five hundred twenty five dollars (\$525.00)** as a tool allowance upon provision of receipts, to be paid on a separate cheque.

Effective May 1, **2014**, the allowance for Journeymen Mechanics, Electricians, Machinists, Winders **and Apprentices in these classifications** with a minimum tool list as mutually agreed by the company shall be five hundred **fifty** dollars **(\$550.00)**.

Effective **May 1, 2012**, the allowance for Welders **and Welding Apprentices** with a minimum tool list as mutually agreed by the company shall be two hundred **twenty** dollars **(\$220.00)**.

Effective **May 1, 2014**, the allowance for Welders **and Welding Apprentices** with a minimum tool list as mutually agreed by the company shall be two hundred **thirty five** dollars **(\$235.00)**.

- 15.10** SUB-CONTRACTING - Where the Company's facilities, space and trained personnel are available, the Company will endeavour to continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

The Company and the Union will meet semi-annually to discuss problems regarding sub-contracting.

15.11 NOTICE BOARD

- (a) A notice board shall be provided for the posting of all official Union notices exclusively, and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.
- (b) The following information shall be kept in a central location, readily accessible to the Shop Steward:
 - 1. Seniority list
 - 2. Copy of the Agreement
 - 3. Welfare Plan Provisions

Any employee requiring such information shall contact the Shop Steward for same.

- 15.12** SEVERANCE - In the event of amalgamation, permanent closure of the plant, or a department thereof, or automation, causing an employee to lose his employment with the Company, the Company hereby agrees to pay severance pay to such an employee provided the employee has a minimum two (2) years' service with the Company. Severance pay shall be based on an employee's regular rate of pay at the date of his severance and shall be paid in accordance with the following schedule:

One (1) week's pay for each year of service with the Company to a maximum of twenty-four (24) weeks.

In the event that part of the plant remains open or that an employee has lost his employment because of amalgamation or automation, an employee eligible to receive severance pay may elect to remain on the seniority list for possible recall. The Company shall hold the severance pay for such an employee for the period of his right to recall but during such period the employee may, subject to the same forfeiture provisions of Article 9.07 of this Agreement, request and receive payment of such pay.

15.13 BEREAVEMENT PAY - If an employee suffers a death in the immediate family, he shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means: spouse, mother, father, brother, sister, children, mother-in-law, father-in-law, grandparents and grandchildren. If the employee affected does not attend or arrange services then he shall only be entitled to one (1) day as provided under this Section.

Employees on vacation shall be eligible for bereavement leave and pay.

Employees on layoff or receiving wage loss income shall not be eligible for bereavement leave or pay.

15.14 JURY DUTY

- (a) All time lost by an employee due to necessary attendance on jury duty or acting as a witness or any court proceedings arising out of his employment, or subpoenaed as a witness, or in completing his driver's tests required by the employee for actual employment with the Company, or doctor's examinations in connection therewith, shall be paid for by the Company at the rate of pay applicable to said employee.
- (b) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job held prior to serving.
- (c) If an employee is employed on an afternoon or graveyard shift and attends upon jury duty or if an employee is attending upon jury duty or acting as a witness and becomes scheduled to commence work on an afternoon or graveyard shift, such an employee shall not be required to work such shifts and shall receive pay for time loss pertaining to jury duty or acting as a witness as provided in this Subsection. All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Any employee on jury duty shall, subject to this Section, make himself available for work before or after being required for such duty whenever practicable during his regular shift.

15.15 DISMISSED OR IMPROPER CHARGES - When a charge is laid against an employee, such charge arising while the employee was acting within his scope of employment with the Company, and such charge is dismissed or held improper by a court of competent jurisdiction or on an appeal taken therefrom, the Company shall pay the employee at his regular rate for the time loss due to attendances on his legal counsel and any court appearances. The Company shall also reimburse the employee for any legal fees and other legitimate expenses that the employee has incurred. Prior to the employee taking steps to defend him-self, he shall consult the General Manager of the Company to determine which legal firm should be used.

15.16 TRANSFER - When an employee agrees to a transfer, the Company shall:

- (a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and each fifteen (15) days thereafter;
- (b) Pay the transferred employee's transportation costs to the new location and supply first class accommodation and meals to the employee while he is en route to the new location;

- (c) Assume the cost of moving the transferred employee's family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en route to the new location.

No transferred employee shall move his family or household goods at the Company's expense without written authority from the General Manager of the operation.

Any employee transferred to another branch shall, when his assignment is completed at that branch or location, have the Company pay all costs of moving him, his family and household effects back to his original location. This provision will only apply to employees who have been in the transferred position for three (3) years, or less.

15.17 ARTICLE HEADINGS

The article headings shall be used for purposes of reference only, and may not be used as an aid in the interpretation of this Agreement.

15.18 EDUCATION AND TRAINING –

- (a) APPRENTICE TRAINING- The Company agrees to consider the reimbursement of fees to an employee where he is improving or upgrading himself in his line of work. The cost of Tradesmen Qualification Examinations will also be considered.

All apprentices shall be refunded their tuition and book fees by the Company **upon submission of receipts.**

The apprentice will sign a promissory note at the beginning of each year's training period relating to his apprenticeship agreeing to repay the amount paid to him by the company.

This note shall be forgiven over the succeeding twelve (12) months, if the employee continues in the employ of the Employer for that twelve (12) month period, on the basis of one-twelfth per month.

Such note shall be payable forthwith in the event that the employee leaves the employ of the Employer within one (1) year immediately following completion his apprenticeship training program. However, if an apprentice is terminated or laid off and cannot be reinstated or recalled within a six (6) month period, the Employer will waive the employee indebtedness incurred with the apprenticeship program.

- (b) BRANCH-BASED TRAINING -

Employees who are assigned to attend training courses in their base branch area will be compensated as follows;

Straight time wages will be paid for training courses based on the employee's regularly scheduled shift. If the employee is attending all of part of the training on his days off alternate days off will be scheduled immediately before or after the training days. Such days off could be scheduled at another time, by mutual

agreement. If an employee wishes to work his regular shift instead of taking the days off, the regular shift hours would be paid at straight time rates.

If the training course is at the employee's base branch and the duration is scheduled to be five hours or less, the employee will start and complete the day performing his regular duties.

Travel time to and from the course will not be paid.

A \$12.50 dollar meal allowance will be if the course does not include a meal during the meal break.

The employee may submit an expense claim with receipts for vehicle parking and any pre-approved expenses and supplies required to attend the course.

The employee is expected to use their vehicle for transportation to these courses, and they will be compensated at a rate per KM pursuant to Canada Revenue Agency guidelines based on the distance from their base shop to the training course site, and return, per course day.

(c) TRAVEL FOR TRAINING -

Employees who are assigned to attend training courses outside their base branch area will be compensated as follows:

Straight time wages will be paid for training course based on the employee's regularly scheduled shift. If the employee is attending all or part of the training on his days off alternate days off will be scheduled immediately before or after the training days. Such days off could be scheduled at another time, by mutual agreement. If an employee wishes to work his regular shift instead of taking days off, the regular shift hours would be paid at straight time rates.

Travel time to and from the course will be paid for the time spent traveling based on the number of hours in the employee's regularly scheduled shift. If the total travel time in one day exceeds the amount of regular shift hours, the employee will be paid for additional hours at his regular hourly rate of pay.

A \$25.00 per diem will be paid for all courses away from base branch days plus travel days to cover meals and other incidental expenses.

Employees will be provided with a travel itinerary with the Company's choice of commercial transportation to and from the course. Commercial transportation is defined as airplane, bus, train, rented automobile, rapid public transport, ferry, taxi etc. Where possible, employees will be scheduled to travel together on commercial transportation to contain costs.

The employee will submit an expense claim with receipts for airport parking, ground transportation not included in the course, hotel accommodation and any other pre-approved expenses promptly upon return to work after completing the course.

(d) HOME BASED TRAINING-

Employees who receive web based or CD/DVD based training will be compensated as follows:

- i) Upon successful completion of the course material, the employee will receive a payment to his hourly rate of pay multiplied by the amount of hours the course provider recommends in order to successfully complete the course.

The employee will take these courses on their own time and will not be compensated for time spent other than in (i) above.

15.19 SAFETY BOOT ALLOWANCE

- (a) All employees will receive \$190.00 annually as a Safety Boot Allowance to be paid via payroll on the first date following the end of the contract year. Provision of receipts is not required. Boots shall be to CSA standards as per Company Safety Manual.

Effective May 1, 2010 the boot allowance will be \$195.00

Effective May 1, 2011 the boot allowance will be \$205.00

These monies may be used for repair and/or resoling.

New employees with less than 12 months' service prior to May 1st of each calendar year shall receive a portion of the above allowance pro-rated to the number of full months employed with the Company.

- (b) Winter felt boot allowance shall be supplied to a maximum of eighty dollars (\$80.00) per year for working in adverse winter conditions.
- (c) For employees working in adverse winter conditions the allowance for felt boots can be combined with the regular safety boot allowance if the employee wished to purchase insulated winter boots instead of felts.

15.20 The Union reserves the right to render assistance to other labour organizations. It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-Union workman (or workmen).

ARTICLE 16 - TECHNOLOGICAL OR PROCEDURE CHANGES

16.01 In the event the Company proposes the introduction of equipment in its operations, requiring specialized training, the Company agrees to give the first opportunity to employees then on the payroll through the job posting procedures of this Agreement, to operate this equipment and/or train to operate the equipment, provided the applicant qualifies with the requirements of an aptitude test, cost of such test to be borne by the Company. Any employee taking such a test is entitled to know the results of such test. The

Company further agrees to notify the Union as soon as its final decision is made as to the introduction of new equipment or any procedural change. Failure on the part of the Company to comply with these provisions will automatically give cause for grievance.

The Company agrees to work with the Union and with Canada Manpower in order to arrange for training of employees whose jobs no longer exist as a result of automation or a substantial change in job content, but whose seniority entitles them to continued employment. Such employees shall have the choice of taking the training provided or of accepting a lay-off.

ARTICLE 17 - JOB POSTING

17.01 PROMOTION - When new jobs are available, wherever possible, the Company will promote employees to a better paying job; seniority, qualifications and ability to be considered.

17.02 JOB POSTING

- (a) In the event that a new job is created or a vacancy occurs or new equipment is installed in the operation, the Company shall post a notice on the bulletin board at all branches notifying that a vacancy exists in a particular job.
- (b) Employees desiring such job shall then apply, in writing, within **fifteen (15) days** of such posting, except that employees on vacation or out of town on work for the Company at such time shall have the privilege of applying when they return. The senior employee applying who has the ability to do the job, subject to the Technological or Procedure Changes Article of this Agreement, shall receive such job.
- (c) For temporary emergencies, new employees may be hired but postings must go up in all branches if the need is still there after sixty (60) days.
- (d) Seniority, Qualifications and ability shall be the determining factor in selecting applicants. Seniority shall be the governing factor if there is more than one (1) qualified applicant.
- (e) The successful applicant on a job vacancy shall be **transferred within thirty (30) working days. From the time of the transfer the successful applicant will be** considered to be on a trial period for up to thirty (30) working days. During this trial period, the employee must demonstrate that he can satisfy the requirements of the work performance criteria for the job to the satisfaction of the Employer.

- (f) During the trial period, an employee who fails to demonstrate the ability to perform the job or who chooses not to retain the position shall be returned to their former position, without a loss of seniority. In such cases, the Employer shall have the right to require all employees who changed job positions in consequences of the promotion, to move back into their job positions and wage rates, which they occupied prior to the promotion.

The vacancy may be temporarily filled until a permanent replacement is decided through the application of this Article.

17.03 NEW JOB CLASSIFICATION

- (a) When a new job classification is introduced which is not included in the list of classifications in Appendix "A" and/or "B", the Company and the Union shall promptly negotiate a wage rate for such classification.
- (b) Every effort will be made by the Parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day the new job commenced.
- (c) In the event the Parties hereto are unable to conclude negotiations the matters in dispute shall be referred to a single Arbitrator agreed upon between the Parties. Failing such agreement, either Party at any time may call upon the Minister of Labour of British Columbia to appoint an Arbitrator.

ARTICLE 18 – HEALTH, SAFETY AND ENVIRONMENT

It is understood and agreed that the parties to this Agreement and all employees shall comply at all times with SMS Equipment Inc. Safety, Health and Environmental policies and procedures and with the Occupational Health and Safety Act and all applicable legislation.

Employees must comply with the Company's safety procedures and policies and all applicable legislation. Failure to comply with safety policies and legislations as set out above is ground for discipline up to and including termination of employment.

- 18.01 INJURY REPORT - An employee suffering injury while in the employ of the Company must report to the first aid department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.
- 18.02 WASHROOM FACILITIES- Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.

18.03 (a) SAFETY CLOTHING - The Company will provide the following:

- Rubber clothes
- Rubber boots
- Welders' gloves
- Welders' aprons
- Goggles
- Helmets of a reasonable fit and a reasonable quantity as a tool crib item for shop, yard and field use
- Hard hats for job use where required.

As outlined in the OH&S regulations, the Company will supply respirator equipment and filters through the tool crib.

Additionally, if requested by the employee, the Company will provide an interest free loan to employees wishing to purchase fresh air welding helmets. The loan will be repaid in equal installments over a 12 month period.

(b) SAFETY GLASSES

Purchases of prescription safety glasses through a specified vendor will be 100% covered. The Company is currently reviewing vendors. The Company will cover bifocal and trifocal, rather than progressive lenses, however, the employee may purchase the progressive lenses and pay the difference between progressive lenses and trifocal lenses.

Employees may choose one of the following two options for the purchase of prescription safety glasses:

- i) Each employee required to wear prescription safety glasses will be reimbursed by the Company for the cost of replacement glasses once per year. Reimbursement will be at 100% for glasses purchased from a Company designated vendor and in accordance with the following rules:
 - A selection of frames will be available. Only these frames are eligible for 100% reimbursement.
 - Lenses will be covered at 100%, including standard bifocal or trifocal lenses. Employees will pay the difference between the standard bifocal or trifocal lenses and any enhancements. Progressive lenses are not covered. Transition lenses are not covered.
 - Glasses will include permanent side shields.

OR:

- ii) Each employee required to wear prescription glasses shall be reimbursed by the Company for the cost of replacement glasses up to a maximum of one hundred and fifty dollars (\$150.00) once per year to be paid on a separate cheque.

The unused portion may be carried over one year; receipts are required.

All safety glasses must meet W.C.B. safety regulations and include permanent side shields.

As a result of work related damage, the Company shall replace broken or damaged lenses on approval.

- 18.04 PROTECTIVE CLOTHING - The Company shall supply protective clothing when employees are engaged in cleaning equipment. Insulated coveralls shall be supplied as a tool crib item.

NOTE: It must be recognized that an understanding of this nature requires a high degree of cooperation between employees and the Company. Employees will not arbitrarily stop work without advising their supervisors.

- 18.05 WATERLESS HAND CLEANER - Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.

- 18.06 COVERALLS - All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of coveralls supplied, shall be of the proper size to fit the employee. There shall be at least three (3) changes available each week to the employees involved, and field servicemen going out on calls shall have several extra sets of coveralls to take with them when they go out on such calls.

- 18.07 TRUCK MAINTENANCE - It is to the mutual advantage of both the Company and the employees that employees should not operate vehicles which are not in safe operating condition and not equipped with the safety equipment required by law. The maintenance of equipment in sound operating condition is not only a function but a responsibility of Management and in respect thereto the Company agrees as follows:

- (a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts, or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.
- (c) It is agreed between the Company and the Union, having regard for the safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.
- (d) It is mutually agreed that a form shall be supplied the driver on which he must report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report on file.
- (e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company's responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the out-going driver.

- (f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers, who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.
- (g) The Company shall supply a fire extinguisher and an adequate first aid kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.
- (h) Bulkheads will be installed on van-type trucks.

18.08 SAFETY MEETINGS - Safety meetings shall be held once a month in each branch on Company time with bargaining unit representation present. A copy of the minutes of the meeting to be posted on the bulletin boards.

The Company shall pay for all authorized industrial first-aid courses as well as all required refresher courses for designated first-aid attendants.

Where there is no night or weekend school program offered in the specific location of the employees, the Company agrees to pay for actual hours scheduled to obtain/upgrade a first aid certificate.

The Company will be consulted prior to the employee incurring the obligation.

For safety related training, the Company where practical, will schedule the training during regular work hours. However, the Company and the Union recognize that in order to have sufficient participants for a training course, it may be better to have the training on days off. As a result, training that is not mandatory for all employees, but is still required training for performing certain jobs, if scheduled on days off, will be paid at straight time rates. The Union will be contacted, prior to any other items being added to the list below:

- | | | |
|-------------------|--------------------------------|------------------------------------|
| • Overhead Cranes | • Respiratory Protection | • Lock Out / Tag Out |
| • Fork Lift | • Slings and Rigging Awareness | • Field Level Risk Assessment |
| • Loaders | • Fall Protection | • Legislative Awareness |
| • Manlifts | • Arial Work Platforms | • Fire Extinguisher and Fire Watch |

ARTICLE 19 - MEDICAL - INSURANCE - DENTAL - PENSION

- (a) The Company shall provide and maintain the following coverage for their employees at no cost to such employees. At no time will coverage be less than that currently in place as indicated in Appendix "C".

- (b) The benefits provided under this Article will be firstly subject to the terms of the Collective Agreement and secondly to the terms of the insurance contracts between the Company and the Insurance Carrier. Except that, effective July 17, 2006, an employee must be "actively at work" as per the definition in the insurance contract for any changes to benefits or benefit levels to take effect.
- (c) The Parties recognize that the Plan may contain restrictions, exceptions, qualifications, and other terms affecting entitlement to benefits. Questions of entitlement and eligibility will be determined by clause "b" firstly and then by the terms of the insurance plan and the insurer's contract.
- (d) All paramedical, supplementary health, dental and extended benefit costs are administered with payments based on current provincial fee guidelines and as per the limits outlined in the employee Health and Welfare Policy Brochure.

19.01 MEDICAL - The medical coverage will be equivalent to that supplied by the Medical Services Plan of British Columbia.

19.02 EXTENDED HEALTH BENEFITS

To include, but not restricted to:

- (a) Vision Care - two hundred dollars (\$200.00) every twenty-four (24) months for each member of the family for glasses and/or contact lenses.
- (b) HEALTH SPENDING ACCOUNT – **All employees** will receive a **\$750** health spending account on **December 1**. The account will be administered by the benefit carrier and will be subject to the rules and regulations of the Canadian Income Tax legislation. Unused portion is carried over for one year.

19.03 GROUP INSURANCE COVERAGE

- LIFE INSURANCE	\$ 50,000.00
- ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE (24 hour coverage)	\$100,000.00
- WEEKLY INDEMNITY	\$475.00 (1-8-26)*

- * - 1st day of disability due to an accident
- 8th day of disability due to sickness for
- Maximum period of twenty-six (26) weeks.

(Amounts payable under the Weekly Indemnity provision above shall be indexed and automatically increased to the level of maximum EI wage loss replacement benefits as required. The EI rebate shall belong to the Company).

HEALTH & WELFARE

Health & Welfare Policy Brochures outlining Benefit coverage will be distributed with the Collective Agreement and will be made available at the request of an Employee or the Union within 30 days after ratification.

19.04 DENTAL PLAN

BASIC DENTAL	100%
PROSTHETICS (CROWNS, BRIDGES AND DENTURES)	80%
ORTHODONTIA	50% (\$2,500.00 lifetime)
BASIC AND MAJOR COMBINED	\$2,500 per year per individual

19.05 ELIGIBILITY - Any employee will be eligible for all coverage outlined above on the first (1st) day of the month following completion of his probationary period. Current employees on recall or beyond the recall period shall become eligible on the first of the month following re-employment.

19.06 INSURED BENEFIT COVERAGE - ON LAY-OFF - An employee who is laid off will be eligible for continued Health & Welfare Benefit coverage (i.e. Medical, E.H.B. & Dental) for sixty (60) days after the end of the month of lay-off. Coverage will continue for the period stated so long as the Employee is unemployed and not receiving income from another Company.

19.07 The Company shall provide electronic claims filing to each employee.

19.08 Post-Retirement benefits are available to employees at their option to pay.

19.09 PENSION PLAN – Effective **May 1, 2012** the Company shall make contributions at the rate of **five dollars (\$5.00)** per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers' Pension Plan.

Employees working at the Coquitlam Branch, see Letter of Understanding **#4** for pension contributions.

The Company is required to report on the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers' Pension Plan by the fifteenth (15th) day of the month following that which contributions cover.

The Pension Plan's Auditor may inspect during regular business hours a Company's record of time worked by employees and contributions made to the Plan.

The Pension contribution will not apply to Sick Time hours.

19.10 LONG TERM DISABILITY - Long Term Disability will be paid by the employee. Pays sixty percent (60%) of monthly earnings to a maximum of three thousand dollars (\$3,000.00) per month. This item is tax free when paid by employee.

19.11 EXTENDED COMPANY COVERAGE - Where the Company presently has an employee benefit plan in effect covering weekly wage indemnity and/or salary continuation, and/or life insurance and/or accidental death and dismemberment coverage and such coverage is in excess of the coverage outlined in this Agreement, then the Company shall continue such coverage and the cost of the coverage which is in excess of the coverage outlined in this Agreement shall be borne equally between the Company and the employee, where the employee elects to do so on a voluntary basis.

19.12 SICK TIME - The Company shall grant sick leave credits to each employee. These credits will be granted on the following basis.

At the beginning of each service year with the Company, an employee will receive credit for forty-eight (48) hours' sick leave to apply to the service year which is just commencing. Before reaching an anniversary date at which time sick time will be received, an employee will receive during the interim period, sick leave credit based on four (4) hours per month which will be accumulative to a maximum of forty-eight (48) hours. A new employee shall not receive sick leave credits until he has been in the employ of the Company for sixty (60) calendar days.

The Company shall, to the extent that sick leave credits are available, pay to an employee who reports sick on a regular work day the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work and reduce his sick leave credits by the number of hours that correspond with the number of hours that he would normally have worked.

Sick time shall be subject to the following provisions:

1. Sick leave shall be granted for an employee's personal use only.
2. An employee who reports sick during any day will have his sick leave allotment reduced by the number of hours not worked during that day.
3. Sick time is not to be used for any purpose other than legitimate illness.
4. All absence due to illness of a duration of more than three (3) consecutive scheduled work days shall require a doctor's certificate to an employee's department manager. Where a doctor's certificate is required by the Company, the cost of such certificate shall be borne by the Company.
5. It is the responsibility of an employee to immediately notify his department supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay.
6. A committee of three (3) comprised of an employee's supervisor, department manager and a business representative of the Union, shall rule on any contingencies not covered by these provisions.
7. In computing time served with the Company for the purpose of determining eligibility for sick time with pay, it will be governed by an employee's commencement date with the Company.
8. Two (2) days' unused sick time per service year may be accumulated up to a maximum of twelve (12) extra days sick time provided that:
 - (a) There has been no more than two (2) days' sick leave credits used in that service year for which the extra days are granted.
 - (b) Accumulated extra sick time may only be used after the annual six (6) sick time days have been used up.
9. No pay or allowance will be made in lieu of sick time.

19.13 BRIDGING OF BENEFITS

The parties understand that there may be delays in the processing of employee claims while on WCB or WI. In order to ease any financial stresses to the employee the following process applies.

If an employee is off work due to a WCB or WI claim, and there has been a delay of at least one (1) month's duration in processing the claim, where the employee has not received payment of the benefit, the employee may apply to the Branch HR contact, for a bridging payment. If approved, the payment will be no more than what the employee would have earned from the benefit and shall be no more than is earned in vacation pay and it must be repaid upon receipt of the benefit payment.

ARTICLE 20 - SAVINGS CLAUSE

- 20.01 No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the Schedule(s) attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages or increase in hours worked per week because of the adoption of this Agreement.
- 20.02 If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.
- 20.03 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the Parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 21 - DURATION

- 21.01 This Agreement shall be in full force and effect from and including May 1st, **2012**, to and including April 30th, **2016**, and shall continue in full force and effect from year to year thereafter subject to the right of either Party to this Agreement within four (4) months immediately preceding the date April 30th, **2016**, or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- 21.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union goes on strike, or the Company locks out, or the Parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

21.03 By agreement of the Parties hereto, the provisions of Section 50 (2) and (3) of the Labour Relations Code of B.C. are specifically excluded.

21.04 During the life of this agreement, there shall be no strikes on the part of the Union, nor any lockout on the part of the Company.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

APPENDIX "A": WAGE SCHEDULES

ELKFORD BRANCH:

	<i>May 1, 2012 (4%)</i>	<i>May 1, 2013 (3%)</i>	<i>May 1, 2014 (3%)</i>	<i>May 1, 2015 (4%)</i>
SHOP:				
Mechanic, Welder, Painter, Machinist, Blacksmith, Electrician, Hydraulic Mechanic	37.00	38.11	39.25	40.83
Tool Crib	33.22	34.22	35.25	36.66
Working Foreman (Parts Department)	37.00	38.11	39.25	40.83
Journeyman Partsman	35.64	36.71	37.81	39.32
Truck Driver - 1 Ton And Over	33.46	34.46	35.49	36.91
Truck Driver - Under 1 Ton	33.21	34.21	35.24	36.65
Truck Driver - 30 Days Trial	32.53	33.51	34.52	35.90
Janitor	30.94	31.87	32.83	34.14
Yard/Shop Helper (Steamcleaning, washing parts, assisting Journey-men when required. There shall be not more than one helper per ten [10] journeyman and/or one helper for each apprentice at each branch)	24.76	25.50	26.27	27.32
PENSION CONTRIBUTIONS:	5.00	5.00	5.00	5.00

COQUITLAM BRANCH:

	<i>May 1, 2012 (2.29%)</i>	<i>May 1, 2013 (3%)</i>	<i>May 1, 2014 (3%)</i>	<i>May 1, 2015 (4%)</i>
Journeyman 1				
Mechanic	37.00	38.11	39.25	40.83
Welder	37.00	38.11	39.25	40.83
Machinist	37.00	38.11	39.25	40.83
Electrician	37.00	38.11	39.25	40.83
Winder Electrician	37.00	38.11	39.25	40.83
Journeyman 2 (Unticketed)	33.76	34.77	35.81	37.24
Partsman				
Sr. Journeyman Partsman	36.67	37.77	38.90	40.46
Journeyman Partsman	35.01	36.06	37.14	38.63
Over 4 Years	32.29	33.26	34.26	35.63
3 Years - 4 Years	30.83	31.75	32.70	34.01
2 Years - 3 Years	28.21	29.06	29.93	31.13
1 Year - 2 Years	25.58	26.35	27.14	28.23
3 Months - 1 Year	22.95	23.64	24.35	25.33

	May 1, 2012 (2.29%)	May 1, 2013 (3%)	May 1, 2014 (3%)	May 1, 2015 (4%)
0 Months - 3 Months	19.16	19.73	20.33	21.14
Toolcrib Attendant				
0 Months - 3 Months	24.02	24.74	25.48	26.50
3 Months And Over	27.27	28.09	28.93	30.09
Utility Person				
0 Months - 3 Months	20.76	21.39	22.03	22.91
3 Months - 1 Year	22.40	23.07	23.77	24.72
1 Year And Over	25.64	26.41	27.21	28.29
Skill Base I	27.27	28.09	28.93	30.09
Skill Base II	28.90	29.76	30.66	31.88
Maintenance Person				
0 Months - 3 Months	19.16	19.73	20.33	21.14
Months And Over	22.41	23.08	23.78	24.73
Lab				
Senior Technologist	36.67	37.77	38.90	40.46
Technologist	33.75	34.76	35.80	37.23

	May 1, 2012 (2.29%)	May 1, 2013 (3%)	May 1, 2014 (3%)	May 1, 2015 (4%)
4th Year	30.83	31.76	32.71	34.02
3rd Year	30.06	30.96	31.89	33.17
2nd Year	29.27	30.14	31.05	32.29
1st Year	26.47	27.27	28.08	29.21
Technician	32.29	33.26	34.26	35.63
4th Year	29.54	30.43	31.34	32.59
3rd Year	28.14	28.98	29.85	31.05
2 nd Year	26.89	27.70	28.53	29.67
1st Year	25.50	26.27	27.05	28.14
Assembler	21.63	22.28	22.95	23.87
4th Term - 6 Months	19.93	20.52	21.14	21.99
3rd Term - 6 Months	18.90	19.47	20.05	20.86
2nd Term - 6 Months	16.51	17.00	17.52	18.22
1st Term - 6 Months	14.81	15.26	15.71	16.34
RRSP Contribution	5.00	5.00	5.00	5.00

Fort St. John, Chetwynd and Tumbler Ridge Branches

		<i>May 1, 2012 (4%)</i>	<i>May 1, 2013 (3%)</i>	<i>May 1, 2014 (3%)</i>	<i>May 1, 2015 (4%)</i>
Designated Field Mechanic		37.59	38.71	39.87	41.47
Mechanic	- Ticketed	35.56	36.63	37.73	40.83
	- Non-Ticketed	34.00	35.02	36.07	38.79
Field Service Premium		2.50	2.50	2.50	2.50
Welder	- Ticketed	35.56	36.63	37.73	40.83
	- Non-Ticketed	34.00	35.02	36.07	38.79
Partsperson	- Ticketed	32.30	33.27	34.27	36.75
	- Non-Ticketed	30.00	30.90	31.83	33.81
Shipper/Receiver		28.27	29.12	29.99	31.19
Track Press Operator		23.18	23.88	24.59	25.58
Labourer		20.35	20.96	21.59	22.46

**Campbell River, Nanaimo, Surrey,
Kamloops, Williams Lake, Prince George**

	<i>May 1, 2012 (10%)</i>	<i>May 1, 2013 (5%)</i>	<i>May 1, 2014 (5%)</i>	<i>May 1, 2015 (5.7%)</i>
SHOP:				
MECHANIC	35.05	36.80	38.64	40.83
WELDER	35.05	36.80	38.64	40.83
PAINTER	35.05	36.80	38.64	40.83
TOOL CRIB	31.64	33.22	34.88	36.87
JOURNEYMAN PARTSMAN	33.80	35.49	37.27	39.39
YARD/SHOP HELPER (Steamcleaning, washing parts, assisting journeymen when required. There shall be not more than one yard/Shop Helper per Branch.)	24.10	25.31	26.58	28.10
WAREHOUSEMAN (Drives pick up for parts as required, checks packing slips to identify and bins warehouse items, knowledgeable in inventory practices, assists in shipping, receiving and packaging, operates forklift, keeps warehouse neat and tidy. Warehousemen shall have the first opportunity to move from this position into a Partsman/Shipper Receiver classification or apprenticeship as per the job posting procedure. There shall be not more than one Warehouseman per Branch.)				
Start	24.56	25.79	27.08	28.62
Six months	25.18	26.44	27.45	29.01

It is understood that former Coneco and Terratech employees will receive the Transwest (Elkford) journeyman rates of pay while working on the mine sites. **This rate will be offset by the increases to base wages.**

A.01 Effective May 1, 2010, Students shall be paid fourteen dollars and thirty-six cents (\$14.36) per hour. Students will accumulate no seniority. They shall also be exempt for coverage under the Medical - Insurance - Dental – Pension/RRSP provisions of this Agreement.

A.02 Parts Picker

- (a) A Parts Picker will generally perform duties involved in receiving, shipping, binning and other warehouse duties.
- (b) After the effective date of this Agreement the Company may hire persons to work in the warehouse as Parts Pickers who shall be paid the same rates as Partsman, but who will not exceed the rate for Partsman over three (3) years.
- (c) Parts Pickers when moving to Partsman category will continue to receive the applicable rate of pay determined by his length of service and if he is on the rate of Partsman over three (3) years he shall work one (1) year at that classification before proceeding to a higher rate.
- (d) Any Partsman put in charge of a shift or branch shall be classified and paid as a Senior Partsman (over five (5) years' service) regardless of his length of service.
- (e) Where four (4) or more employees are working on a shift then one (1) of them shall be designated as a Working Foreman.

Apprentice Partsman indentured under the Apprenticeship Act shall be paid on the basis of the percentage increments provided therein for the Partsman Apprenticeship program.

DEFINITIONS & PREMIUMS

A.03 **PREMIUMS**

- 1. Lead Hand – A 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 his work, is so recognized by the Company. A 5% premium over and above the Journeyman rate will be paid for appointed Lead Hands.
- 2. Charge Hand – A Charge Hand is an employee assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work. A 10% premium over and above the Journeyman rate will be paid for appointed Charge Hands.
- 3. Utility Person – (Coquitlam Only) Utility persons can be used on production type work but are restricted to steam cleaning, mask and paint, oven loading and unloading, and Journeyman assistance.

A person hired into the classification of Utility Person may be placed on an accelerated time schedule, including Skill Base 1, dependent on management's assessment of the person's previous experience in an industrial environment.

An employee originally hired into the entry level of 0-3 months and who has progressed to the 1 year level, may be advanced to Skill Base 1 provided he has a forklift certificate and has demonstrated skills that are significantly above those of an average Utility Person.

To progress to Skill Base II, an employee must be in Skill Base I for a minimum of two (2) years. On the anniversary of the third year an employee will automatically progress to Skill Base II, unless the company can provide documentation as to why the employee should not progress to Skill Base II.

4. First Aid Attendant – A premium of \$1.00 per hour will be paid for appointed first aid attendants. If the appointed first aid attendant holds a Level 3 first aid ticket, the premium will increase to \$1.50.
5. Northern Allowance – A premium of \$.17 per hour will be paid for Employees employed in branch offices in Prince George, or in branches north of the latitude passing through Prince George.
6. CONFINED SPACE

Employees assigned to work in a confined space, or rotate work in a confined space as a member of a team, will be paid a premium of two dollars (\$2.00) per hour for the time engaged in the work. The premium will not be paid to confined space monitors or any other members of the confined space team unless they actually work in the confined space or take a turn working in the confined space.

7. RESIDENT MECHANIC

The Resident Mechanic shall be on the branch seniority list of the branch closest to the location of the posting.

All new postings for Resident Mechanics shall be posted as per the Job Posting provisions (Article 17) of the Collective Agreement.

It is understood that if a bargaining unit member assumes the posting the cost of relocating shall be borne by the employee and does not qualify as a transfer as per Article 15.16.

Senior branch employees may bump a Resident Mechanic, or visa versa, attached to that branch seniority list but only after being laid off in excess of ten (10) consecutive working days inclusive of general holidays.

APPENDIX "B"

B.01 APPRENTICES

- (a) All Apprentices employed by the Company shall be indentured to the Operating Engineers' Apprenticeship Plan within sixty (60) days of commencing his apprenticeship in accordance with the provisions of the Operating Engineers' Apprenticeship Plan.
- (b) A ratio of one (1) Apprentice shall be allowed for each four (4) Journeymen.
- (c) **Registered Apprentices who, as a requirement of their Apprenticeship, attend school, shall be paid regular wages based on a forty (40) hour week while attending school, less the Government grant. Books and tuition will be reimbursed upon submission of receipts. The Company shall only pay wages and reimburse expenses for the Apprentice once per level of training.**
- (d) An Apprentice having served his required time and having passed any necessary examinations will automatically be classified as a Journeyman.
- (e) *The following indentured Apprentice Scale is effective May 1, 2010:*

<i>1st 6 months</i>	<i>60% of Journeyman rate</i>
<i>After 6 months</i>	<i>65% of Journeyman rate</i>
<i>After 12 months</i>	<i>70% of Journeyman rate</i>
<i>After 18 months</i>	<i>75% of Journeyman rate</i>
<i>After 24 months</i>	<i>80% of Journeyman rate</i>
<i>After 30 months</i>	<i>85% of Journeyman rate</i>
<i>After 36 months</i>	<i>90% of Journeyman rate</i>
<i>After 42 months</i>	<i>95% of Journeyman rate</i>
<i>After 48 months</i>	<i>100% of Journeyman rate</i>

New 36 month apprenticeship:

<i>1st 6 months</i>	<i>60% of Journeyman rate</i>
<i>After 6 months</i>	<i>65% of Journeyman rate</i>
<i>After 12 months</i>	<i>70% of Journeyman rate</i>
<i>After 18 months</i>	<i>75% of Journeyman rate</i>
<i>After 24 months</i>	<i>80% of Journeyman rate</i>
<i>After 30 months</i>	<i>90% of Journeyman rate</i>
<i>After 36 months</i>	<i>100% of Journeyman rate</i>

- (f) The Company shall make contributions at the rate of four cents (.04) per hour for which wages are payable hereunder, to each employee within the scope of this Agreement, to the IUOE Local 115 Training Association, 4333 Ledger Avenue, Burnaby, B.C., V5G 3T3.
- (g) An Apprentice shall not receive further percentage increments without having passed the required training modules and having served his required time on the job.

- (h) The Parties hereby agree that apprentices indentured to the said Apprenticeship program are required to pass all prescribed courses in order to be paid as per B.01(e).

APPENDIX "C"

CLASSIFICATIONS - UNION EMPLOYEES

Waiting Period	Upon completion of 60 days of employment following the date of hire.
Dependent Child	Up to age 21; or age 25 if a fulltime student at college or university.
Minimum # Hours	To be eligible for benefits employee must work at least 20 hours/week.

HEALTH BENEFITS

Your provincial health plan covers most basic hospital and medical costs. Your supplementary health benefit covers additional expenses once your provincial coverage is exhausted, or expenses that are not covered under the provincial plan.

Hospital	80% coverage for private or semi-private accommodation.
Drug	80% coverage for drugs which legally require a written prescription.
Out of Province	100% coverage for emergency treatment.
Major Medical	80% coverage includes supplies and appliances. Hearing aids limited to \$400/5 years/child.
Private Nursing	80% coverage for private duty nursing. Limited to 30 days - in hospital only.
Paramedical	80% coverage for physiotherapists and other practitioners as listed below.

Note: Co-insurance is 80% for the first \$1,250 (not including deductible) of eligible health expenses per person, 100% co-insurance thereafter within a calendar year.

Annual Deductible	\$25.00 per person (\$25 maximum per family)
Overall Maximum	In Canada: Unlimited Outside Canada: \$1,000,000.00/lifetime
Termination Age	Retirement

DENTAL BENEFITS

Basic Services	100% coverage for maintenance checkups, fillings, minor surgery, endodontics, periodontics, denture repairs and complex surgery
Major Restorative	80% coverage for dentures, bridgework, restorations
Orthodontia	50/50 - \$2,500.00 lifetime
Annual Deductible	Nil
Overall Maximum	Basic & Major combined - \$2,500/year

Dental Fee Guide	Payment based on the Current Fee Guide for your Province or Residence.
Termination Age	Retirement

DISABILITY BENEFITS

Short Term Disability	Flat benefit of \$475.00 Per week Benefits start on day 1 for accidents and day 8 for sickness, and continue for up to 26 weeks. Termination age: Earlier of retirement or age 65
Canada Pension Plan	Pays a monthly income to the contributor plus a monthly income for each dependent child. Benefits start in the 4th month after the month of disability, and continue until age 65.
Long Term Disability	Pays 60% of monthly earnings to a maximum of \$3,000/month. Payments are offset by Workers' Compensation and CPP/QPP Primary benefits. Benefits start after 182 days of total disability and continue to age 65. Coverage applies to any medical cause of disability, including pre-existing conditions.
Definition of Disability	Based on duties of your "own occupation" for the first 2 years of benefit.

SURVIVOR BENEFITS

Basic Life Insurance	Flat benefit of \$50,000 Age reduction: Reduce to \$2,000 @ age 65. Termination Age: First of the month coincident with or immediately following retirement or age 75, whichever is earlier.
Basic AD & D Insurance	Flat benefit of \$100,000 Age Reduction: Reduce to \$2,000 @ age 65 Provides a benefit in the event of accidental death and dismemberment Termination age: Earlier of retirement or age 70.
Optional Dependent Life Insurance	Flat benefit of \$5,000/spouse and \$2,500/each dependent child. Dependent Life benefit is limited to \$500 for children under 14 days. Coverage terminates on the first of the month coincident with or immediately following retirement or attainment of age 65, whichever is earlier.
Travel Accident	Provides an additional benefit in the event of death while traveling on Business.

Optional Life Insurance	Available through payroll deductions in units of \$10,000 to a maximum of \$250,000. Maximum \$50,000 available without evidence of insurability.
Optional AD&D Insurance	Available through payroll deductions in units of \$10,000 to a maximum of \$250,000

NOTES:

Paramedical Practitioner Limits

Chiropractor - \$200/year
Speech Therapy - \$100/year
Podiatrist - \$200/year
Naturopath - \$100/year
Physiotherapy - \$250/year
Psychologist - \$100/year
Massage Therapy - \$250/year
Acupuncture - \$100/year

Orthopedic Shoes are limited to \$400/year for adults and \$200/year for dependent children. This includes orthotics.

Hearing Aids are limited to \$400/5 years for dependent children only.

Oral contraceptives are not covered

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: TWELVE HOUR SHIFT AGREEMENT

1. The Company has the option of scheduling work as per Master Agreement or on twelve (12) hour shifts.

For full day shift coverage 4 days on, followed by 4 days off.

For continuous 24 hour coverage 2 days, 2 nights worked, followed by 4 days off.

For identified projects, the following may be used subject to the majority of affected employees' agreement:

4 days on, 4 days off, followed by 4 nights on.

The normal shift will be day shift, commencing at 7:00 a.m., and night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

Charge Hands and Lead Hands on identified projects may work subject to their approval either steady days or nights.

The Company will endeavour to maintain shop personnel on a consistent schedule. The Company and bargaining unit employees will meet to arrive at an agreement on shift schedule. A vote will be held if required to define twenty-four (24) hour a day coverage schedule.

2. HOURS OF WORK: Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum four (4) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base four (4). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company, or; an employee voluntarily leaves the worksite, quits, or

is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and General Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6. 22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

3. **STATUTORY HOLIDAYS:** Statutory Holidays will be recognized on the day on which they occur. Stat Holidays for employees working twelve (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay straight time and one half (1/2) hour of overtime as full entitlement. An employee required to work on a Stat Holiday will receive double time for all hours worked, in addition to General Holiday pay to which the employee may be entitled.
4. **REST BREAKS:** Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.
5. **TWELVE (12) SHIFT DIFFERENTIAL:** **May 1, 2012 - \$1.25 per hour (NIGHT SHIFT)**
May 1, 2014 - \$1.50 per hour (NIGHT SHIFT)
6. **TRAVEL TIME:** Travel time will be as per Article 13.01 of the Master Agreement, save and except any exclusions identified in point # 19 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Agreement shall read:

"All travel time on regular days off and any holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four hour period."

Article 13.01 (e) shall read:

"Travel time as set out in Article 13.01 shall include the following premiums, if applicable: off-property premiums, shift premiums as per point #5 of this Letter of Understanding, lead hand premium, charge hand premium, and first aid premium."

Article 13.05 shall read:

"If an employee reports to a field job outside the Greater Vancouver area and through no fault of his own, is unable to work, he shall immediately contact the Company for instructions. Nevertheless, while being required to stand by the job, he shall be paid for a regular shift of twelve (12) hours in each twenty-four (24)."

Article 13.06 shall read:

"Where an employee is required to remain in the field on his scheduled days off, or on a General Holiday, he shall be paid twelve (12) hours for each such day at straight time rates."

7. Base rate for all hours worked on twelve (12) hour shift will be increased by **the following:**

May 1, 2012 - \$2.50 per hour

May 1, 2014 - \$2.75 per hour

May 1, 2015 - \$3.00 per hour

8. Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

9. CHANGE OF SHIFT:

- (a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
- (b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.
- (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

10. CHANGE OF SCHEDULE:

- (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (b) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

11. A shift is defined as the hours of work within a twenty-four (24) hour period.

12. A schedule is defined as days of work and the associated days of rest. Days of rest follow the days of work.

13. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply.

- (a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (b) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

14. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company.

The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange.

The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

- 15. The Union and the Company will meet at the request of either party to discuss any issues that arise due to this Agreement and attempt to resolve them, keeping in mind the interests of both parties.
- 16. OVERTIME MEAL: Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hour's pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the article 6.14 (b) of the Master Agreement, Employees working in the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

- 17. ACCIDENTS - PAY TO EMPLOYEES: Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.
- 18. This agreement will be in effect for the term of the contract.
- 19. The following Articles of the Master Agreement shall not apply to employees covered by this Agreement:

6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20(a), 6.21, 6.22, 6.24 (a), (c), (d), (e), (f), (g), (h), 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01 (e), 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Agreement.

20. The marshalling point at Elkford shop is agreed, unless otherwise mutually agreed upon.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PORT COQUITLAM LOCATION

A system for the equitable distribution of overtime shall be established using the following:

1. The Company will establish an "employee overtime list" for the purposes of tracking overtime hours.
2. List will be posted weekly in respective departments.
3. List will record overtime hours worked and the opportunity of working overtime hours.
4. The list will be kept in ascending order based on formula as follows: overtime worked divided by number of weeks worked to arrive at average overtime worked per week.
5. Weekly the company will post an "overtime sign up sheet" for employees to sign who want to be contacted for overtime.
6. When there is a need for overtime, the company will contact employees who have signed the "overtime sign up sheet" starting first with the employee with the least amount of overtime hours.
7. If the company is unable to contact an employee who has signed the "overtime sign up sheet" the company will then go to the next employee on the list.
8. Should the company be unable to contact employees on the "overtime sign up sheet" the company is under no restrictions as to who the company can then call for overtime.
9. Equal hours to the overtime hours worked will be marked on the "employee overtime list" against employees on the "overtime sign up sheet" who could not be contacted.
10. A record will be kept by the company of how and when attempt was made to contact an employee on the "overtime sign up sheet" and of overtime work hours missed.
11. When an employee has signed the "overtime sign up sheet" and is unable to work overtime when contacted due to a conflict in shift schedule, employee will be given an opportunity to make up overtime hours at a later mutually agreed time.
12. The "overtime sign up sheet" will be used for call in overtime.

13. The "employee overtime list" will be used to assign employees for overtime that is scheduled.
14. For employees who turn down scheduled overtime, time will be recorded on the "employee overtime list" equal to the overtime worked. A record will be kept of overtime work turned down by the employee.
15. Employee ability, qualifications and classification to be considered when assigning overtime from the "overtime sign up sheet". Employees deemed not qualified shall be given the opportunity to become qualified within their classification.
16. This letter can be cancelled by mutual agreement between the Company and Union.
17. The Company and Union will meet if required to review the application of this letter.
18. Should errors occur in the assignment of overtime, the affected employee will be given the next overtime opportunity to make up overtime hours. If the employee turns down the next opportunity to work overtime the company is under no further obligation to make accommodation for this employee.

The application of overtime will be in accordance with Article 6.11.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #3

BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Elkford Branch

A system for the equitable distribution of overtime shall be established using the following:

1. The company will establish an "employee overtime list" for the purpose of tracking overtime hours. Supervisors will post the "employee overtime list" as soon as they become available. They will be posted in each respective department for employee's perusal.
2. The "employee overtime list" shall apply to all employee's in their classification, save and except those who notify the company, in writing that they do not wish to be considered for overtime. A copy of this letter shall be given to the Union.
3. The "employee overtime list" will record all overtime hours that are worked, refused hours, unavailable hours and unscheduled overtime hours. The formula for the "employee overtime list" will be total hours worked plus refused hours, plus unavailable hours minus unscheduled overtime hours this will equal hours that will be used to assign employees to overtime opportunities.
4. For all employees that are on an approved leave of absence for any reason will be averaged back onto the "employee overtime list". Any employee that is assigned to light duty will also be treated as if they are on a leave of absence until such time as their physician gives them clearance to assume normal duties at which time they will be averaged back onto the list. Any employee who follows #2 above and wish to be considered for overtime opportunity will also be averaged back onto the "employee overtime list". The employee will have to give a letter to the company that states s/he wish to be considered for overtime opportunity once again. The union is to receive a copy of this letter.
5. Averaging will be done with this formula, all grand total hours of overtime worked in a particular classification divided by the number of employees that worked overtime. No averaging will be done for less than a week. Employees on vacation will not be averaged in. Apprentices in school will not be averaged in during the period they attended trade school. First aid attendants doing upgrading will also not be averaged in.
6. The "employee overtime list" will be used to assign all employees to scheduled and unscheduled overtime opportunities.
7. To clarify what is unscheduled overtime and what is scheduled overtime:

The unscheduled overtime will be any overtime that is worked by an employee that is on his days of rest and has signed up for on call work by signing the "employee sign up sheet". To be classified as unscheduled hours of work it is with the understanding that it will be short notice work the company was not aware of.

8. All other hours of overtime that the company is aware of will be considered scheduled overtime.
9. To clarify what are unavailable hours. Unavailable hours will be hours that the company has called employees in the proper order off the "employee overtime list". When they call and have to bypass the employee because there is no answer. This employee will be marked unavailable.
10. The company will post weekly an "overtime sign up sheet".
11. The "overtime sign up sheet" is for all unscheduled overtime opportunities on the weekends or any scheduled days off.
12. For employees who sign up on the weekly "overtime sign up sheet" for on call overtime. All employees will be assigned in order of the "employee overtime list". The hours worked by employees will be tracked as unscheduled overtime and not added to the total hours of overtime on the "employee overtime list".
13. The Person who is assigned the responsibility of on call person or shift charge hand will be responsible for recording the time of his call, or his request to the employee on the "employee overtime list" or the "employee sign up sheet". Whether the employee is available, unavailable or refuses.
14. This information will be given to the respective department foreman daily. Then this information from either the "overtime sign up sheet" or the daily assignments of overtime will be recorded on the "employee overtime list" to be updated as quickly as possible. The "employee overtime list" will always be updated before any projects, and before any shutdown work is commenced where there is an opportunity of overtime being worked.
15. Employee ability, qualifications and classifications to be considered when assigning overtime from the "employee overtime list" or the "employee sign up sheet" Employees deemed not qualified shall be given the opportunity to become qualified within their classification.
16. Apprentices that are not qualified will be given overtime opportunities to work on jobs that a Journeyman Tradesmen can supervise them. Once the apprentice becomes qualified enough in his classification then they will be assigned work they are capable of performing from the "employee overtime list".
17. The company and the union will review this letter and its application on a as needed basis.
18. There will only be consideration of name requests if a certain employee has a special skill that no other person can perform, name requests will be recorded as such and the union will review name requests to make sure there are no disputes.

19. If there are errors in the assignment of overtime, the company will correct the improper assignment as soon as possible. The employee that was bypassed will receive equal hours missed by mutual agreement between the employee and the company.

The application of overtime will be in accordance with Article 6.11.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #4

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PENSION PLAN AND R.R.S.P. GROUP PLAN - COQUITLAM BRANCH

The Parties agree to renew this LOU amended to reflect increases as noted above.

Be it resolved that:

1. Effective May 1, 2012, the Company will pay **five dollars (\$5.00)** per hour, per journeyman, for actual hours paid by the Company for deposit to a group R.R.S.P. Plan.
2. Those non-journeymen who had their contributions prorated will continue to receive the RRSP contribution rate they received prior to ratification of this agreement.
3. At the election of the employee, R.R.S.P. contributions can be made on a biweekly basis.
4. This remittance to the plan holder will be made within eight (8) days of the pay date on which the R.R.S.P. deduction was made.
5. The Company will submit a confirmation form to the Union on a monthly basis stating when the cheque was sent from the Company to the carrier.
6. The employees shall have the option to join the Operating Engineers' Pension Plan or stay on the Company group R.R.S.P. Plan.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #5

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

For the purpose of this Letter of Understanding, the contracting out clause Article 15.10, shall read as follows:

15.10 Where the Company's facilities, space and trained personnel are available, the Company shall continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

Where subcontractors are to work on site, a permit from the Union shall be obtained.

There will be a quarterly meeting held in each branch to discuss any contracting out work.

This Letter may be cancelled by either Party upon thirty (30) days' written notice.

The Letter of Understanding shall not prejudice the Collective Agreement nor set a precedent for existing practices.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #6

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: NEW AND OTHER SHOP FACILITIES

The Union and the Company agree that if new premises are opened or taken over by the Company the parties agree to negotiate the terms and conditions and rate of pay for employees working at or from those premises. It is further agreed that the terms, conditions and wage rates will reflect local conditions in the region of the new premises.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #7

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: ADDENDUM TO ARTICLE 15.12: PORT COQUITLAM PLANT CLOSURE AND RELOCATION TO EDMONTON

For further clarification, the Company agrees that if the job loss occurs due to a downsizing or elimination of a department resulting from the moving of the work to Edmonton, employees will be entitled to a severance as outlined in Article 15.12.

Additionally, for the duration of this collective agreement and only for job loss resulting from a downsizing or elimination of a department resulting from the moving of the work to Edmonton, the Company agrees to increase the severance pay to two (2) week's pay for each year of service with the Company. The employee must have a minimum of one (1) year of service with the Company. No maximum shall apply.

Company will supply the year by year history of wheel motor/alternator rebuilds for the last three years, to be used as averaging to verify any future business downturn or movement of business to Edmonton.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #8

BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PREVENTATIVE MAINTENANCE (PM) TRUCK

The following conditions shall apply only to the technician hired to work on the PM truck. This letter of understanding shall not apply to any current members of the bargaining unit who work on the PM truck. Their terms and conditions shall be as per the current collective agreement.

1. This letter of understanding shall apply to the Lower Mainland only.
2. There shall be a Tuesday to Saturday work week with a shift premium of \$1.00 per hour for all hours worked.
3. Hours of work shall be 12:00 noon to 8:00 p.m. with an afternoon shift premium of \$0.35 per hour for all hours worked.
4. This letter of understanding shall expire on April 30, **2016** or may be cancelled by either party with 30 days written notice.
5. All other terms and conditions shall be as per the current collective agreement.

Signed this _____ day of _____, 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #9

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

This Letter of Understanding will confirm that the Company is prepared to designate a portion of an employee's regular salary, two thousand five hundred dollars (\$2,500.00) as an employee travel benefit.

It will be the sole responsibility of each employee to ensure compliance with the requirements of the Income Tax Act to enable the employee to deduct the maximum travel costs allowable. The annual T4 slips will report the value of this travel benefit.

Signed this _____ day of _____, 2012

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #10

BY AND BETWEEN:

SMS EQUIPMENT INC.

(the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

(the "Union")

RE: 7 On/7 Off Day Shift – Mount Polley Mine Site Schedule

This Letter of Understanding is to accommodate the need to provide two (2) Heavy Equipment Technicians on day shift at the Mount Polley Mine Site. The Parties agree without prejudice or precedent to other similar and/or identical matters:

1. The shift schedule will be 1 week on, 1 week off, based upon working 12 hours per day for each shift. The employees will be onsite for 12 hours and will be traveling in and out of site for the remaining 3 hours at overtime rate. A day shall be the twenty-four (24) hour period commencing with the start of the employee's regularly scheduled shift.
2. Overtime rates will apply to all hours worked over 12 in a day or 80 hours straight time in a week.
3. A shift differential **beginning May 1, 2012 - \$2.50 per hour, May 1, 2014 - \$2.75 per hour and May 1, 2015 - \$3.00 per hour** for all hours worked shall apply. This premium shall not attract overtime.
4. The shift will apply to employees designated and agreed to by the Company and the Union. The Company will discuss with the Union prior to hiring any new employees onto the shift or transferring any existing employees onto the shift. The shift will be strictly voluntary, and no employee will be required to participate in the shift.
5. Vacations will be converted to hour entitlement and will be taken in blocks of hours. Employees will be entitled to the number of weeks of vacation as outlined in the Collective Agreement, at the appropriate percentage (%) of gross earnings, with the understanding that under this shift schedule one (1) week off (84 hours) is equal to two (2) weeks off (80 hours) under the Collective Agreement. Therefore, an employee with two (2) weeks of vacation would take off one (1) week (84 hours) under the above schedule.

Employees may take off blocks of time less than a full week as agreed between the Company and the employee.

6. When a Statutory Holiday falls on an employee's scheduled day off, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday. When a Statutory Holiday falls on an employee's scheduled workday and he does not work, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday. When a Statutory Holiday falls on a regular workday and the employee works that day, the employee shall receive twelve (12) hours at his regular base rate for the holiday, and shall be paid at the overtime rate for all hours worked that day.
7. Employees shall be entitled to three (3) paid lunch/rest breaks during each shift. The total lunch/rest period shall not exceed seventy-five (75) minutes.
8. All other terms and conditions of the Collective Agreement will apply except as outlined herein.
9. This Letter of Understanding will be terminated when the Company no longer has employees on site at Mount Polley Mines. The parties will meet as required to discuss and resolve any issues arising from this Letter of Understanding.

Signed on this _____ day of the month of _____ 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING # 11

BY AND BETWEEN:

SMS EQUIPMENT INC.

(the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

(the "Union")

RE: 7 On/7 Off Day Shift – Copper Mountain Mine Site Schedule

This Letter of Understanding is to accommodate the need to provide two (2) (Resident) Heavy Equipment Technicians and one (1) (Resident) Electrician on day shift at the Copper Mountain Mine Site. The Parties agree without prejudice or precedent to other similar and/or identical matters:

1. The shift schedule will be 1 week on, 1 week off, based upon working 12 hours per day for each shift. The employees will be onsite for 12 hours with work commencing at the Copper Mine site. A day shall be the twenty-four (24) hour period commencing with the start of the employee's regularly scheduled shift.
2. Overtime rates will apply to all hours worked over 12 in a day or 80 hours straight time in a week.
3. A shift differential **beginning May 1, 2012 - \$2.50 per hour, May 1, 2014 - \$2.75 per hour and May 1, 2015 - \$3.00 per hour** for all hours worked shall apply. This premium shall not attract overtime.
4. The shift will apply to employees designated and agreed to by the Company and the Union. The Company will discuss with the Union prior to hiring any new employees onto the shift or transferring any existing employees onto the shift. The shift will be strictly voluntary, and no employee will be required to participate in the shift.
5. Vacations will be converted to hour entitlement and will be taken in blocks of hours. Employees will be entitled to the number of weeks of vacation as outlined in the Collective Agreement, at the appropriate percentage (%) of gross earnings, with the understanding that under this shift schedule one (1) week off (84 hours) is equal to two (2) weeks off (80 hours) under the Collective Agreement. Therefore, an employee with two (2) weeks of vacation would take off one (1) week (84 hours) under the above schedule.

Employees may take off blocks of time less than a full week as agreed between the Company and the employee.

6. When a Statutory Holiday falls on an employee's scheduled day off, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday. When a Statutory Holiday falls on an employee's scheduled workday and he does not work, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday. When a Statutory Holiday falls on a regular workday and the employee works that day, the employee shall receive twelve (12) hours at his regular base rate for the holiday, and shall be paid at the overtime rate for all hours worked that day.
7. Employees shall be entitled to three (3) paid lunch/rest breaks during each shift. The total lunch/rest period shall not exceed seventy-five (75) minutes.
8. All other terms and conditions of the Collective Agreement will apply except as outlined herein.
9. This Letter of Understanding will be terminated when the Company no longer has employees on site at the Copper Mountain Mine site. The parties will meet as required to discuss and resolve any issues arising from this Letter of Understanding.

Signed on this _____ day of the month of _____ 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING # 12

BY AND BETWEEN:

SMS EQUIPMENT INC. (THE "COMPANY")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115 (THE "UNION")

RESPECTING A COMPRESSED WORK WEEK SCHEDULE ON A TWELVE (12) DAY IN – TWELVE (12) DAY OUT ROTATION

The Company and the Union agree that, in the long term interest of ensuring that the Company continues to provide its present range of Services to its Customers, increased/enhanced efforts must be made to recruit new employees into the Elkford Branch.

The Company and the Union are agreed that one of the means for doing so is the introduction of a compressed work week schedule on a twelve (12) days in – twelve (12) days out rotation with normal hours of work of twelve (12) hours per shift.

1. VOLUNTARY NATURE OF THE 12 X 12 SHIFT SCHEDULE:

The 12 x 12 shift shall be strictly voluntary and no existing employees as of the date of the signing of the Agreement shall be required to participate in this shift unless they choose to post to the shift, as per Article 17.

2. WORK SCHEDULING:

The Company has the option of scheduling work as per the Master Collective Agreement or on twelve (12) hour shifts.

For day shift coverage

12 days on followed by 12 days off.

For continuous 24 hour coverage

12 days on, followed by 12 days off, followed by 12 nights.

The normal shift will be the day shift, commencing at 7:00 a.m., the night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

The Company will endeavor to maintain shop personnel on a consistent schedule. The Company and bargaining unit employees will meet to arrive at an agreement on shift schedule.

3. HOURS OF WORK:

Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum twelve (12) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base twelve (12). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company or; an employee voluntarily leaves the worksite, quits, or is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and Statutory Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6.22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

4. STATUTORY HOLIDAYS:

Statutory Holidays will be recognized on the day on which they occur, Statutory Holidays for employees working (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay per straight time with the last half (1/2) hour paid at overtime as full entitlement. An employee required to work on a Statutory Holiday will receive double time for all hours worked, in addition to Statutory Holiday pay to which the employee may be entitled.

5. REST BREAKS:

Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.

6. SHIFT DIFFERENTIAL:

May 1, 2012 - \$2.50 per hour

May 1, 2014 - \$2.75 per hour

May 1, 2015 - \$3.00 per hour

7. TRAVEL TIME:

Travel time will be as per Article 13.01 of the Master Collective Agreement, save and except any exclusions identified in point #16 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Collective Agreement shall read:

"All travel time on regular off and any Statutory Holiday will be paid for at time and one-half to a minimum of eight (8) hours in any twenty-four hour period."

Article 13.01 (e) shall read:

"Travel time as set out in Article 13.01 shall include the following premiums, if applicable: off-property premiums, shift premiums as per point #6 of this Agreement, lead hand premium, charge hand premium, and first aid premium."

Article 13.06 shall read:

"Where an employee is required to remain in the field on his scheduled days off, or on a Statutory Holiday, he shall be paid twelve (12) hours for each such day at straight time rates."

8. PAY FOR WORK ON 12 HOUR SHIFTS:

Base rate for all hours worked on twelve (12) hour shifts will be increased by two dollars and twenty-five cents (\$2.25).

9. ADVANCE NOTICE OF OVERTIME REQUIREMENTS:

Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

10. SHIFT CHANGE:

- (a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
- (b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.

- (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

11. CHANGE OF WORK SCHEDULE:

- (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (b) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

12. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply:

- (a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (b) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

13. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company.

The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange.

The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

14. OVERTIME MEALS:

Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hours' pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the Article 6.14 (b) of the Master Collective Agreement, Employees working in the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

15. ACCIDENTS – PAY TO EMPLOYEES:

Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has sustained on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

16. NON-APPLICABLE ARTICLES OF THE MASTER COLLECTIVE AGREEMENT:

The following Articles of the Master Collective Agreement shall not apply to employees covered by this Agreement:

6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20 (a), 6.21, 6.22, 6.24 (a), (c), (d), (e), (f), (g), (h), 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01 (e), 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Collective Agreement.

17. MARSHALLING POINT:

The Marshalling point at Elkford shop is agreed, unless otherwise mutually agreed upon.

18. ISSUES ARISING RESPECTING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT:

The Union and the Company will meet at the request of either party to discuss any issues that arise concerning the interpretation of this agreement and attempt to resolve them, keeping in mind the interests of both parties. Brian Foley shall remain ceased to assist the parties in resolving any issues that the parties cannot resolve themselves.

19. DURATION OF THIS AGREEMENT:

This agreement will be in effect for the term of the Master Collective Agreement.
Signed at Fernie, B.C. this 20th day of January, 2011.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING # 13

BY AND BETWEEN:

SMS EQUIPMENT INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

The parties agree that the following two clauses will be removed from the main body of the Collective Agreement and will be vault document. These clauses will remain in effect forever or until both parties agree to delete one or both.

6.10 OVERTIME AND SAFETY

(b) minimum of two (2) employees to be present when overtime is being performed. This does not apply to parts call-outs or work on mine property. This clause for Elkford and Port Coquitlam will be put into a vault document. This practice of not working alone will be maintained and will be done as it was in the past.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #14

BY AND BETWEEN:

SMS EQUIPMENT INC. (THE "COMPANY")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115 (THE "UNION")

Re: 12 hour 7 x 7 off day shift schedule (Chetwynd Branch)

This letter of understanding is to accommodate the need to have 7 day per week Parts Department coverage in the Chetwynd Branch.

The Company and the Union agree to the following terms in relation to the compressed work week schedule on a seven (7) days on – seven (7) days off rotation with normal hours of work of twelve (12) hours per shift.

1. **VOLUNTARY NATURE OF THE 7 X 7 SHIFT SCHEDULE:**

The 7 x 7 shift shall be strictly voluntary and no existing employees as of the date of the signing of the Agreement shall be required to participate in this shift unless they choose to post to the shift, as per Article 17.

2. **WORK SCHEDULING:**

The Company has the option of scheduling work as per the Master Collective Agreement or on twelve (12) hour shifts.

For day shift coverage

7 days on followed by 7 days off.

For continuous 24 hour coverage

7 days on, followed by 7 days off, followed by 7 nights.

The normal shift will be the day shift, commencing at 7:00 a.m., the night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

HOURS OF WORK:

Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum twelve (12) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base twelve (12). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company or; an employee voluntarily leaves the worksite, quits, or is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and Statutory Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6.22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

4. STATUTORY HOLIDAYS:

Statutory Holidays will be recognized on the day on which they occur. Statutory Holidays for employees working (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay per straight time with the last half (1/2) hour paid at overtime as full entitlement. An employee required to work on a Statutory Holiday will receive double time for all hours worked, in addition to Statutory Holiday pay to which the employee may be entitled.

5. REST BREAKS:

Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.

6. SHIFT DIFFERENTIAL:

May 1, 2012 - \$2.50 per hour

May 1, 2014 - \$2.75 per hour

May 1, 2015 - \$3.00 per hour

7. TRAVEL TIME:

Travel time will be as per Article 13.01 of the Master Collective Agreement, save and except any exclusions identified in point #16 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Collective Agreement shall read:

"All travel time on regular days off and any Statutory Holiday will be paid for at time and one-half to a minimum of eight (8) hours in any twenty-four hour period."

Article 13.01 (e) shall read:

"Travel time as set out in Article 13.01 shall include the following premiums, if applicable; off-property premiums, shift premiums as per point #6 of this Agreement, lead hand premium, charge hand premium, and first aid premium."

Article 13.06 shall read:

"Where an employee is required to remain in the field on his scheduled days off, or on a Statutory Holiday, he shall be paid twelve (12) hours for each such day at straight time rates."

8. PAY FOR WORK ON 12 HOUR SHIFTS:

Parts person base rate for all hours worked on twelve (12) hour shifts will be increased by two dollars and twenty-five cents (\$2.25).

9. ADVANCE NOTICE OF OVERTIME REQUIREMENTS:

Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

10. SHIFT CHANGE:

- (d) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
- (e) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.
- (f) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

11. CHANGE OF WORK SCHEDULE:

- (c) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (d) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the

opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

12. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply:

- (c) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (d) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

14. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company.

The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange.

The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

14. OVERTIME MEALS:

Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hours' pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the Article 6.14 (b) of the Master Collective Agreement, Employees working in the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

15. ACCIDENTS – PAY TO EMPLOYEES:

Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has sustained on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

16. NON-APPLICABLE ARTICLES OF THE MASTER COLLECTIVE AGREEMENT:

The following Articles of the Master Collective Agreement shall not apply to employees covered by this Agreement:

6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20 (a),

6.21, 6.22, 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01

(e), 13.05, 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Collective Agreement.

17. MARSHALING POINT:

The Marshaling point at Chetwynd shop is agreed, unless otherwise mutually agreed upon.

18. ISSUES ARISING RESPECTING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT:

The Union and the Company will meet at the request of either party to discuss any issues that arise concerning the interpretation of this agreement and attempt to resolve them, keeping in mind the interests of both parties.

19. DURATION OF THIS AGREEMENT:

This agreement will be in effect for the term of the Master Collective Agreement.

Signed this _____ day of the Month of _____ 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #15

BY AND BETWEEN:

SMS EQUIPMENT INC. (THE "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115 (THE "Union")

RESPECTING A COMPRESSED WORK WEEK SCHEDULE ON A FOURTEEN(14) DAY IN –
FOURTEEN (14) DAY OUT ROTATION

The Company and the Union agree that, in the long term interest of ensuring that the Company continues to provide its present range of Services to its Customers, increased/enhanced efforts must be made to recruit new employees into the Chetwynd Branch.

The Company and the Union are agreed that one of the means for doing so is the introduction of a compressed work week schedule on a fourteen (14) days in – fourteen (14) days out rotation with normal hours of work of twelve (12) hours per shift.

1. VOLUNTARY NATURE OF THE 14 X 14 SHIFT SCHEDULE:

The 14 x 14 shift shall be strictly voluntary and no existing employees as of the date of the signing of the Agreement shall be required to participate in this shift unless they choose to post to the shift, as per Article 17.

2. WORK SCHEDULING:

The Company has the option of scheduling work as per the Master Collective Agreement or on twelve (12) hour shifts.

For day shift coverage 14 days on followed by 14 days off.

For continuous 24 hour coverage 14 days on, followed by 14 days off,
followed by 14 nights.

The normal shift will be the day shift, commencing at 7:00 a.m., the night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

The Company will endeavor to maintain shop personnel on a consistent schedule. The Company and bargaining unit employees will meet to arrive at an agreement on shift schedule.

3. HOURS OF WORK:

Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum twelve (12) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base twelve (12). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company or; an employee voluntarily leaves the worksite, quits, or is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and Statutory Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6.22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

4. STATUTORY HOLIDAYS:

Statutory Holidays will be recognized on the day on which they occur, Statutory Holidays for employees working (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay per straight time with the last half (1/2) hour paid at overtime as full entitlement. An employee required to work on a Statutory Holiday will receive double time for all hours worked, in addition to Statutory Holiday pay to which the employee may be entitled.

5. REST BREAKS:

Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.

6. SHIFT DIFFERENTIAL:

May 1, 2012 - \$2.50 per hour

May 1, 2014 - \$2.75 per hour

May 1, 2015 - \$3.00 per hour

7. TRAVEL TIME:

Travel time will be as per Article 13.01 of the Master Collective Agreement, save and except any exclusions identified in point #16 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Collective Agreement shall read:

“All travel time on regular off and any Statutory Holiday will be paid for at time and one-half to a minimum of eight (8) hours in any twenty-four hour period.”

Article 13.01 (e) shall read:

“Travel time as set out in Article 13.01 shall include the following premiums, if applicable: off-property premiums, shift premiums as per point #6 of this Agreement, lead hand premium, charge hand premium, and first aid premium.”

Article 13.06 shall read:

“Where an employee is required to remain in the field on his scheduled days off, or on a Statutory Holiday, he shall be paid twelve (12) hours for each such day at straight time rates.”

8. PAY FOR WORK ON 12 HOUR SHIFTS:

Field Mechanic Base rate for all hours worked on twelve (12) hour shifts will be increased by two dollars and twenty-five cents (\$2.25).

9. ADVANCE NOTICE OF OVERTIME REQUIREMENTS:

Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

10. CHANGE OF SHIFT:

(a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.

(b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.

- (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

11. CHANGE OF WORK SCHEDULE:

- (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (B) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

12. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply:

- (a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (b) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

13. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company. The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange. The Company will not unreasonable deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

14. OVERTIME MEALS:

Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hours' pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the Article 6.14 (b) of the Master Collective Agreement, Employees working In the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

15. ACCIDENTS – PAY TO EMPLOYEES:

Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has sustained on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

16. NON-APPLICABLE ARTICLES OF THE MASTER COLLECTIVE AGREEMENT:

The following Articles of the Master Collective Agreement shall not apply to employees covered by this Agreement: 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20 (a), 6.21, 6.22, 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01(e), 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Collective Agreement.

17. MARSHALLING POINT:

The Marshaling point at Chetwynd shop is agreed, unless otherwise mutually agreed upon.

18. ISSUES ARISING RESPECTING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT:

The Union and the Company will meet at the request of either party to discuss any issues that arise concerning the interpretation of this agreement and attempt to resolve them, keeping in mind the interests of both parties.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #16

BY AND BETWEEN:

SMS EQUIPMENT INC.

(the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

(the "Union")

RE: Regional Allowance – Elkford, Chetwynd & Tumbler Ridge

The undersigned parties agree that effective May 1, 2012 the Company will introduce a Regional Allowance for mining locations that are hard-to-recruit and retain employees (Elkford, Chetwynd & Tumbler Ridge).

I. 2012 and 2013: 3.5%

II. 2014 and 2015: 4%

The Regional Allowance applies to all classifications at these locations and does not compound with other allowances or premiums.

The Northern Allowance premium shall be eliminated.

For Chetwynd Employees: Regional Allowance will be offset against the Transition Allowance, so it is not retroactive.

Signed on this _____ day of the month of _____ 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING BETWEEN #17

**SMS EQUIPMENT INC.
(the Company)**

AND

**INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL UNION 115
(the Union)**

RE: LIFT & LOCK AND REBUILD CREWS

Year 1 of the Collective Agreement:

The Company shall use the local workforce to staff the crews. If the local workforce is unavailable due to existing workloads, the Company shall maintain current practices regarding notification to the Union, obtaining permits, manpower levels, etc.

Year 2 of the Collective Agreement:

The Company shall post as per Article 17.02 all positions for the above mentioned crews. If there are not enough applicants, the Company shall hire for the remaining positions.

All work done on these crews shall attract a premium of \$2.00 per hour.

This Letter of Understanding will be reviewed within one (1) year following ratification of the collective agreement. Either party may bring issues to the Labour Management Committee during the term of this Letter of Understanding. The parties will seek mutually beneficial solutions to develop business in the province.

Signed on this _____ day of the month of _____ 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING BETWEEN #18

**SMS EQUIPMENT INC.
(the Company)**

AND

**INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL UNION 115
(the Union)**

RE: LABOUR MANAGEMENT COMMITTEE

The purpose of this Committee shall be to establish a mutually beneficial relationship. Topics may include areas of concern or opportunity with respect to labour relations. Initially topics will focus on new employee training & orientation, new & alternative shift cycles, posting & progression processes, and out of province employees.

The Committee makes recommendations. The Committee does not have the power to alter or amend the Collective Agreement.

Process:

Either party may initiate a Committee meeting by submitting agenda items to the other party. The receiving party may choose to add agenda items. The meeting will occur within 21 calendar days from the time the first party submitted agenda items.

The Committee co-chairs are:

- The local Business Agent, IUOE 115
- The Director, Human Resources, SMS Equipment

The Committee co-chairs may each invite up to an additional three employees to the meeting at their discretion.

Minutes will be taken. Minutes will be signed by both Committee co-chairs prior to distribution.

- Agenda items may include and are not limited to: lost tools reimbursement, scheduled straight-time training, out of province employees.
- Managers, Supervisors and employees to be educated on the Working Alone Vault letter in the Elkford Branch.

This Letter of Understanding may be cancelled by either party upon thirty (30) days written notice.

For the Company

For the Union

LETTER OF UNDERSTANDING

BY AND BETWEEN:

SMS EQUIPMENT INC. (THE "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115 (THE "Union")

RESPECTING A COMPRESSED WORK WEEK SCHEDULE ON A FOURTEEN(14) DAY IN – FOURTEEN (14) DAY OUT ROTATION

The Company and the Union agree that, in the long term interest of ensuring that the Company continues to provide its present range of Services to its Customers, increased/enhanced efforts must be made to recruit new employees into the Prince George Branch.

The Company and the Union are agreed that one of the means for doing so is the introduction of a compressed work week schedule on a fourteen (14) days in – fourteen (14) days out rotation with normal hours of work of twelve (12) hours per shift.

1. VOLUNTARY NATURE OF THE 14 X 14 SHIFT SCHEDULE:

The 14 x 14 shift shall be strictly voluntary and no existing employees as of the date of the signing of the Agreement shall be required to participate in this shift unless they choose to post to the shift, as per Article 17.

2. WORK SCHEDULING:

The Company has the option of scheduling work as per the Master Collective Agreement or on twelve (12) hour shifts.

For day shift coverage	14 days on followed by 14 days off.
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For continuous 24 hour coverage	14 days on, followed by 14 days off, followed by 14 nights.
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The normal shift will be the day shift, commencing at 7:00 a.m., the night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

The Company will endeavor to maintain shop personnel on a consistent schedule. The Company and bargaining unit employees will meet to arrive at an agreement on shift schedule.

3. HOURS OF WORK:

Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum twelve (12) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base twelve (12). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company or; an employee voluntarily leaves the worksite, quits, or is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and Statutory Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6.22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

4. STATUTORY HOLIDAYS:

Statutory Holidays will be recognized on the day on which they occur, Statutory Holidays for employees working (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay per straight time with the last half (1/2) hour paid at overtime as full entitlement. An employee required to work on a Statutory Holiday will receive double time for all hours worked, in addition to Statutory Holiday pay to which the employee may be entitled.

5. REST BREAKS:

Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.

6. SHIFT DIFFERENTIAL:

May 1, 2012 - \$2.50 per hour
May 1, 2014 - \$2.75 per hour
May 1, 2015 - \$3.00 per hour

7. TRAVEL TIME:

Travel time will be as per Article 13.01 of the Master Collective Agreement, save and except any exclusions identified in point #16 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Collective Agreement shall read:

"All travel time on regular off and any Statutory Holiday will be paid for at time and one-half to a minimum of eight (8) hours in any twenty-four hour period."

Article 13.01 (e) shall read:

"Travel time as set out in Article 13.01 shall include the following premiums, if applicable: off-property premiums, shift premiums as per point #6 of this Agreement, lead hand premium, charge hand premium, and first aid premium."

Article 13.06 shall read:

"Where an employee is required to remain in the field on his scheduled days off, or on a Statutory Holiday, he shall be paid twelve (12) hours for each such day at straight time rates."

8. ADVANCE NOTICE OF OVERTIME REQUIREMENTS:

Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

9. CHANGE OF SHIFT:

- (a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
- (b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.

- (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

10. CHANGE OF WORK SCHEDULE:

- (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (B) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

11. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply:

- (a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (b) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

12. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company. The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange. The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

13. OVERTIME MEALS:

Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hours' pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the Article 6.14 (b) of the Master Collective Agreement, Employees working in the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

14. ACCIDENTS -- PAY TO EMPLOYEES:

Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has sustained on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

15. NON-APPLICABLE ARTICLES OF THE MASTER COLLECTIVE AGREEMENT:

The following Articles of the Master Collective Agreement shall not apply to employees covered by this Agreement: 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20 (a), 6.21, 6.22, 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01(e), 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Collective Agreement.

16. MARSHALLING POINT:

The Marshaling point at Prince George shop is agreed, unless otherwise mutually agreed upon.

17. ISSUES ARISING RESPECTING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT:

The Union and the Company will meet at the request of either party to discuss any issues that arise concerning the interpretation of this agreement and attempt to resolve them, keeping in mind the interests of both parties.

18. DURATION OF THIS AGREEMENT:

This agreement will be in effect for the term of the Master Collective Agreement.

Signed this 28th day of the Month of January 2013,

SMS EQUIPMENT INC.

Adam Miller 01/29/13

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

Brian [Signature]
[Signature]

LETTER OF UNDERSTANDING

BY AND BETWEEN:

SMS EQUIPMENT INC. (THE "COMPANY")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115 (THE "UNION")

Re: 12 hour 7 x 7 off day shift schedule (Prince George Branch)

The Company and the Union agree that in the long term interest of ensuring that the Company continues to provide its present range of Services to its Mining Customers, increased/enhanced efforts must be made to recruit new employees into the Prince George Branch.

The Company and the Union agree to the following terms in relation to the compressed work week schedule on a seven (7) days on – seven (7) days off rotation with normal hours of work of twelve (12) hours per shift.

1. VOLUNTARY NATURE OF THE 7 X 7 SHIFT SCHEDULE:

The 7 x 7 shift shall be strictly voluntary and no existing employees as of the date of the signing of the Agreement shall be required to participate in this shift unless they choose to post to the shift, as per Article 17.

2. WORK SCHEDULING:

The Company has the option of scheduling work as per the Master Collective Agreement or on twelve (12) hour shifts.

For day shift coverage	7 days on followed by 7days off.
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For continuous 24 hour coverage	7 days on, followed by 7 days off, followed by 7 nights.
---------------------------------	--

The normal shift will be the day shift, commencing at 7:00 a.m., the night shift commencing at 7:00 p.m., or such other arrangements as may be agreed upon by the parties.

3. HOURS OF WORK:

Eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. All hours worked outside the standard work hours, outside the established shift hours, and outside the standard work schedule shall be considered overtime and paid at double time. Approved paid leave will apply as hours worked.

An employee who reports for work at the start of a work schedule shall be guaranteed full pay for the balance of the schedule. If an employee, of his own volition, does not report for his scheduled shift or shifts, then his weekly minimum twelve (12) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base twelve (12). This guarantee shall not apply in the event of an emergency such as: fire, flood, power failure, etc., beyond the control of the Company or; an employee voluntarily leaves the worksite, quits, or is discharged for just cause, or if an employee accepts a recall of specific duration of less than four (4) weeks. In any such event or circumstance, the employee shall be paid for the actual time worked at applicable wage rates.

The Company shall give at least forty-eight (48) hours' notice on lay-offs, excluding scheduled days of rest and Statutory Holidays.

An employee reporting for work on his regular shift shall receive a minimum of twelve (12) hours' pay at his regular rate, subject to the same exclusions as in Article 6.22. An employee called to work on a regular day off, or on a Statutory Holiday, shall receive a minimum of four (4) hours pay at the prevailing overtime rates.

4. STATUTORY HOLIDAYS:

Statutory Holidays will be recognized on the day on which they occur. Statutory Holidays for employees working (12) hour shifts will be paid eleven and half hours (11.5) hours per day straight time with the last half (1/2) hour of each shift paid at overtime. Employees must work the full twelve (12) hours to receive the half (1/2) hour of overtime. When a Statutory Holiday falls on an employee's scheduled day off, the employee will receive eleven and a half (11.5) hours' pay per straight time with the last half (1/2) hour paid at overtime as full entitlement. An employee required to work on a Statutory Holiday will receive double time for all hours worked, in addition to Statutory Holiday pay to which the employee may be entitled.

5. REST BREAKS:

Seventy-five (75) minutes per shift with a break every three (3) hours, or at a time mutually agreed between the Company and the crew.

6. SHIFT DIFFERENTIAL:

May 1, 2012 - \$2.50 per hour

May 1, 2014 - \$2.75 per hour

May 1, 2015 - \$3.00 per hour

7. TRAVEL TIME:

Travel time will be as per Article 13.01 of the Master Collective Agreement, save and except any exclusions identified in point #16 of this Agreement.

For the purposes of this Agreement, Article 13.01 (d) (ii) of the Master Collective Agreement shall read:

"All travel time on regular days off and any Statutory Holiday will be paid for at time and one-half to a minimum of eight (8) hours in any twenty-four hour period."

Article 13.01 (e) shall read:

"Travel time as set out in Article 13.01 shall include the following premiums, if applicable; off-property premiums, shift premiums as per point #6 of this Agreement, lead hand premium, charge hand premium, and first aid premium."

Article 13.06 shall read:

"Where an employee is required to remain in the field on his scheduled days off, or on a Statutory Holiday, he shall be paid twelve (12) hours for each such day at straight time rates."

8. ADVANCE NOTICE OF OVERTIME REQUIREMENTS:

Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.

9. SHIFT CHANGE:

- (a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
- (b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.
- (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.

10. CHANGE OF WORK SCHEDULE:

- (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- (b) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the

new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.

11. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply:

- (a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will fill out a crew schedule request form and present it to their supervisor.
- (b) Selection for the new positions will be by seniority from the forms and subsequent positions not filled will be made by Company assigning junior employees required to move.

Forms will be provided by the Company.

12. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company.

The request shall be submitted in writing to lead/charge hand or foreman and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond in writing no later than seventy-two (72) hours prior to the first shift of the exchange.

The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

13. OVERTIME MEALS:

Employees who work beyond fourteen (14) hours per day shall receive a minimum of one-half (1/2) hours' pay for time off to eat a meal, and beyond each four (4) hours thereafter. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable, the Foreman will grant same. This break shall occur at the regular meal hour.

In lieu of the Article 6.14 (b) of the Master Collective Agreement, Employees working in the field beyond fourteen (14) hours per day shall receive twelve dollars and fifty cents (\$12.50) for an overtime meal for which receipts will not be required.

14. ACCIDENTS – PAY TO EMPLOYEES:

Employees involved in an accident while on the job shall receive twelve (12) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has sustained on the job, he

shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

15. NON-APPLICABLE ARTICLES OF THE MASTER COLLECTIVE AGREEMENT:

The following Articles of the Master Collective Agreement shall not apply to employees covered by this Agreement:

6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.09, 6.10 (a), 6.14 (a) and (c), 6.18, 6.20 (a),

6.21, 6.22, 11.02, 11.05 (a), 12.05, 13.01 (d)(ii), 13.01

(e), 13.05, 13.06, 15.02 (a) and (b).

All other conditions of employment are as per the Master Collective Agreement.

16. MARSHALING POINT:

The Marshaling point at Prince George shop is agreed, unless otherwise mutually agreed upon.

17. ISSUES ARISING RESPECTING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT:

The Union and the Company will meet at the request of either party to discuss any issues that arise concerning the interpretation of this agreement and attempt to resolve them, keeping in mind the interests of both parties.

18. DURATION OF THIS AGREEMENT:

This agreement will be in effect for the term of the Master Collective Agreement.

Signed this 28th day of the Month of January 2012.

SMS EQUIPMENT INC.

INTERNATIONAL UNION OF OPERATING

ENGINEERS, LOCAL 115

Adam W. Jan 01/24/13-

B. [Signature]
[Signature]