

SHOP WORK AGREEMENT

ARTICLES OF AGREEMENT

Governing

EXCHANGER INDUSTRIES

a division of Premetalco Inc.

(Hereafter referred to as the "Employer")

AND

INTERNATIONAL BROTHEROOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS, AND HELPERS, LOCAL 146 A.F. OF I., C.I.O. & C.F.L.

(Hereafter referred to as the "Union")

Effective August 1st, 2010 to July 31st, 2013

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SHOP WORK AGREEMENT

ARTICLE OF AGREEMENT

This Agreement, governing wages and working conditions in the Employer's Fabricating Shop, shall govern the relations between the Union and the Employer.

ARTICLE 1: RECOGNITION, SCOPE AND PURPOSE OF AGREEMENT

- 1:01 The Employer recognizes the Union as sole bargaining agent for all the production and maintenance employees in the performance of all fabrication and repair work in the Employer's shop.
- 1:02 The Union agrees to co-operate with and assist in every legitimate way, the Employer to conduct a successful business, bearing in mind that both parties must give service to it's customers.
- 1:03 This Agreement shall cover all hourly paid shop employees as listed under Article 8 (Wages) within the jurisdiction of Local 146 and shall pertain to no other.

ARTICLE 2: MANAGEMENT

- 2:01 It is the Employer's right to operate and manage it's business in all respects in accordance with it's responsibilities and commitments. The location of the jobs, the choice of equipment, the schedule of manufacture are solely and exclusively the responsibility of the Employer.
- 2:02 The Employer has the right to make and alter from time to time rules and regulations to be observed by the employees, provided that they are not inconsistent with this Agreement.
- 2:03 It is an exclusive function of the Employer to hire, promote, demote, transfer, suspend, discipline or discharge for just cause, employees in the Bargaining unit, subject to the provisions of this Agreement.
- 2:04 Nothing in this Article shall be interpreted to prejudice other unspecified traditional rights of Management.

ARTICLE 3: RESPONSIBILITIES OF EMPLOYEES

- 3:01 The employee must accept reasonable responsibility for the tools furnished by the Employer, and must report the loss, if any, of these tools immediately to his superior.

Any employee found misusing Company tools will be subject to dismissal. Responsibility for normal wear and tear of tools supplied by the Employer is accepted by the Employer on return of broken or worn tools. The Employer shall provide adequate protection and storage for all tools taken out on any job or work

ARTICLE 4: HOURS OF WORK

- 4:01 Eight (8) hours per day shall constitute a day's work, from 7:00 a.m. to 3:30 p.m. Forty (40) hours per week shall constitute a week's work, Monday to Friday inclusive. The Employer shall notify the Union prior to any change in starting or finishing time. The foregoing starting time of a shift may be changed by mutual agreement.
- 4:02 The afternoon or second shift shall consist of a four (4) day ten (10) hours per day schedule.
- 4:03(a) The Employee will be paid for scheduled shift when attending company training provided the scheduled training is for eight (8) hours. If scheduled shift is ten (10) hours, the maximum add-on is two (2) hours. For half day courses, the Employee will only be paid for actual time.
- 4:03(b) When on the afternoon shift, the Employee attending work related courses will be paid for full scheduled shift when required to leave prior to the end of shift to prepare for the course. (Same rules apply as stated in 4:03(a).)

ARTICLE 5: SHIFT WORK

- 5:01 Where two (2) shifts are working, the first (1st) or day shift shall be paid at the applicable rate as set out in Article 8.
- 5:02 The second (2nd) shift shall receive a premium of one dollar and fifty cents (\$1.50) above the applicable rate as set out in Article 8.
- 5:03 The third (3rd) shift shall receive a premium of one dollar and seventy five cents (\$1.75) above the applicable rate as set out in Article 8. If an employee works overtime following a second or a third shift, shift differential shall continue during such overtime hours paid at the rates outlined in Articles 5:02 and 5:03 (not pyramided by the overtime premium).
- 5:04 When an employee is requested to change shift in the middle of the week, and there is less than an eight (8) hour break between shifts, then he shall be paid double (2x) time for the following shifts until he has had an eight (8) hour break. Alternatively, if an employee does change shift and he has his eight (8) hour break, but works less than eight (8) hours, then he shall be paid for the full eight (8) hour shift.

ARTICLE 6: OVERTIME AND STATUTORY HOLIDAYS

- 6:01 All hours worked before and after any shift shall be termed overtime (Except where the employee requests a change in regular hours due to unusual circumstances).

- 6:02 Overtime shall be paid at 1.5x for the first 2 hours in excess of regular shift. (i.e., after 8 hours Monday to Friday for the Day Shift, after 10 hours Monday to Thursday for the Afternoon Shift). All other overtime shall be paid at 2x.
- 6:03 When an employee works more than two (2) hours beyond quitting time of his regular shift, and every four (4) hours thereafter if the overtime is six (6) hours or over, he will receive \$10.00 in cash in lieu of a meal.
- 6:04 Work performed on Saturday and Sunday shall be paid for at double time (2X) rates for hours worked. The Employer shall notify the employees twenty-four (24) hours in advance for Saturday and Sunday overtime work.
- 6:05 An employee covered by this Agreement shall receive pay for the following Statutory Holidays when not worked, provided he/she worked his/her last scheduled shift previous and his/her next scheduled shift following such holiday, reasonable lateness accepted unless permission to be off has been granted by management.

An employee shall not be eligible for payment of a holiday if he/she is on leave of absence, Workers' compensation, sickness or long-term disability benefits at the time the holiday falls due.

New Year's Day	Good Friday
Civic Holiday	Thanksgiving Day
Remembrance Day	Christmas Day
Canada Day	Victoria Day
Labour Day	Boxing Day
Family Day	

**The Union agrees to delete Family Day as a statutory holiday in the event that Government Legislation changes.

Employees required to work on these days shall receive double their regular rate of pay, plus one day's pay for the holiday.

No work shall be performed on Labour Day except for the preservation of life or property.

- 6:06 The period of time recognized as a holiday is the twenty-four (24) hour period beginning at the starting time of the regular shift on the day which is recognized a holiday.

- 6:07 Where there are two (2) shifts employed, each shift shall work one-half (½) of their regular shift consecutively only on Christmas Eve Day (December 24th) and New Year's Eve Day (December 31st) in order to avoid the necessity of working until midnight. Other arrangements may be made by mutual agreement. Each shift shall receive pay for the hours worked.
- 6:08 Statutory Holidays shall be recognized on their calendar dates unless otherwise agreed to.
- 6:09 Shifts shall be alternated every two (2) weeks. Any exceptions to this can be mutually agreed to between the Shop Committee and Management.

ARTICLE 7: VACATIONS

- 7:01 The Employer will grant vacations with pay to each employee, computed on the following basis:
- 4% of gross wages from the beginning of the 1st year to the end of the 5th year of employment with two (2) weeks vacation.
- 7% of gross wages from the beginning of the 6th year to the end of the 10th year of employment with three (3) weeks vacation.
- 8% of gross wages from the beginning of the 11th year to the end of the 15th year of employment with four (4) weeks vacation.
- 9% of gross wages from the beginning of the 16th year to the end of the 20th year of employment with five (5) weeks vacation.
- 10% of gross wages from the beginning of the 21st year of employment with five (5) weeks vacation.
- Employees shall be paid their accrued vacation pay twice per year as per the vacation pay request procedure.
- 7:02 As far as possible, employees shall be granted their choice of vacation periods according to their seniority, but the right to allocate vacation periods is reserved by the Employer in order to ensure efficient and continuous operations of the plant.
- 7:03 An employee shall qualify for vacation after one year's continuous service with the Company. It shall be mandatory for the employees to take such vacation to which he is entitled after qualification, before the completion of the next twelve (12) months of service.
- 7:04 Time lost up to a maximum of one (1) year as a result of sickness covered by medical certificate, or an accident recognized by the Workers' Compensation Board, or authorized leave-of-absence, shall be considered as time worked for the purpose of accruing years of service for vacation purposes. Any payments received in these circumstances shall not be included in gross wages for the purpose of calculating vacation pay.

ARTICLE 8:01(a): WAGES

CATEGORY		Aug. 1/10	Aug. 1/11	Aug. 1/12
A1	Foreman (C1+ \$2.75)	\$41.82	\$42.60	\$43.40
B1	Leadhand - Helper (I1+\$1.25)	\$28.05	\$28.59	\$29.14
B2	Leadhand - Structural (G1+\$1.25)	\$33.09	\$33.73	\$34.38
B3	Leadhand - Pressure (C1+\$1.25)	\$40.32	\$41.10	\$41.90
B4	Leadhand - Machinist (D1+\$1.25)	\$40.32	\$41.10	\$41.90
C1	"B" Pressure Welder	\$39.07	\$39.85	\$40.65
D1	Machinist - Journeyman Ticket	\$39.07	\$39.85	\$40.65
D2	Machinist - No Ticket	\$30.38	\$30.99	\$31.61
E1	Fitter - Journeyman Ticket	\$39.07	\$39.85	\$40.65
E2	Fitter - No Ticket	\$28.99	\$29.57	\$30.16
F1	Automatic Welder Journeyman Ticket	\$33.03	\$33.69	\$34.36
G1	Welder - Journeyman 1st Class	\$31.84	\$32.48	\$33.13
G2	Welder - Journeyman 2nd Class	\$29.42	\$30.01	\$30.61
H1	Layout Fitter – Structural	\$28.03	\$28.59	\$29.16
I1	Inside Grinder, Painter, Sandblaster, Cutter	\$26.80	27.34	\$27.89
J1	Operator roll, Shear, Brake, Bullmoose	\$26.22	\$26.74	\$27.27
J2	Employees Prior to 8 Month Increase	\$24.42	\$24.91	\$25.41
M1	Exchanger Production Worker (all existing K1 at Jan/03)	\$25.71	\$26.22	\$26.74
K1	Helper 1-Helper, Driller, Tube Bender, Fin Tube Op, Tube Roller	\$23.00	\$23.46	\$23.93
K2	Helper 2-(K1-\$2.00) Helper, Driller, Tube Bender, Fin Tube Op, Tube Roller	\$21.00	\$21.46	\$21.93
L1	Laborer 1-Janitor, Swamper, Laborer	\$19.65	\$20.04	\$20.44
L2	Laborer 2 (L1-\$3.00)-Janitor, swamper, laborer	\$16.65	\$17.04	\$17.44

For Seniority purposes in the event of a layoff, categories M1, K1 & K2 are grouped together, as well as L1 & L2 together.

		<u>Apprentices</u>		
		Aug. 1/10	Aug. 1/11	Aug. 1/12
<u>Welders (C1)</u>				
First Year	65%	\$25.40	\$25.90	\$26.42
Second Year	75%	\$29.30	\$29.89	\$30.49
Third Year	75%	\$29.30	\$29.89	\$30.49
<u>Machinists (D1)</u>				
First Year	65%	\$25.40	\$25.90	\$26.42
Second Year	75%	\$29.30	\$29.89	\$30.49
Third Year	75%	\$29.30	\$29.89	\$30.49
Fourth Year	95%	\$37.12	\$37.86	\$38.62
<u>Fitters (E1)</u>				
First Year	65%	\$25.40	\$25.90	\$26.42
Second Year	75%	\$29.30	\$29.89	\$30.49
Third Year	90%	\$35.16	\$35.87	\$36.59

- 8:01(b) New employees other than apprentices will receive \$1.00 per hour less for for the first 60 days.
- 8:01(c) The company will contribute to the Boilermakers Pension Plan a total of \$3.50 per hour worked. Pension contributions are based on hours "earned", but not compounded by overtime premiums.
- 8:01(d) Employees hired in Category J2 will start at rates outlined in Article 8:02. After eight (8) calendar months, employees in Category J2 will automatically go into Category J1.
- 8:01(e) Employees hired as category K2 will start at rates outlined in 8:01(a). After eight (8) calendar months employees in category K2 (helper 2) will move to category K1 (helper 1) after passing a formal evaluation.

ARTICLE 8:02: HEALTH AND WELFARE

The Employer shall provide to the employee the following Health and Welfare and Insurance Benefits:

Alberta Health Care

(a) Alberta Health Care Medical Coverage shall commence on the first (1st) day of the month following the month of employment.

(b) Other - 80% of drugs, medical supplies, R.N. Care, ambulance, etc. Remaining 20% paid by the employee. Twenty-five dollars (\$25.00) deductible per family per year. Extended Health Vision care coverage to include an eye exam to a maximum of fifty dollars (\$50.00) per consecutive twenty four (24) months.

Life Insurance in the amount of \$30,000.00 and accidental Death and Dismemberment Insurance \$50,000.00 payable to the beneficiary designated by the employee.

Sickness and Accident Benefit Coverage equivalent to U.I.C. These benefits to commence on the first (1st) day of any accident or the third (3rd) day of sickness and shall continue for a maximum of twenty-six (26) weeks paid benefits.

The employee pays the premium for the existing \$2,000.00/month Long Term Disability coverage minus C.P.P. payments and limited to a maximum of 85% of net income. Payments to begin after Short Term Disability maximum of twenty-six (26) weeks has expired and continues until age 65. It is the employee's responsibility to continue to pay employee's share of benefit plan premiums, while on disability benefits.

Dental Plan - The Employer shall provide 80% dental coverage to the employees, remaining 20% paid by the employee. No annual deductible. \$1250.00 annual maximum per person.

Coverage under the Health and Welfare and Insurance Benefits for a new employee shall commence after ninety (90) days employment. Coverage will cease immediately upon termination or lay-off. A new employee will be any person who has not previously been employed or whose benefits have lapsed due to layoff.

The Employer will continue to pay it's share of benefit plan premiums for an employee for up to three (3) months while an employee is receiving sickness or long term disability benefits under this Agreement or for up to six (6) months while the employee is receiving Workers' Compensation arising from the employee's employment with the Employer.

This Plan shall also provides coverage for the spouse and dependent children of the employee as defined by the Insurance Company concerned. It will be the responsibility of the employee to advise the Employer of additional dependents requiring coverage. In order to receive the benefits, the employee must provide all forms and information required by the Insurance Companies.

The provisions of Article 8:02 provide a general outline of benefits only. The specifics of benefit coverage and eligibility to participate shall be governed by the provisions of the insurance policies and plans. The Employer retains the right to change insurance carriers provided comparable benefits are maintained.

The company will supply a benefit card.

Note: Medical Forms

(to be added into Union contract, not part of Great West Plan)

Maximum of \$25.00 per form when related to an ongoing Company Insurance Claim where the Insurance Company requires additional information to a maximum of \$75.00 per year. This excludes any cost occurred when completing the initial STD or LTD forms. This will be covered by Exchanger Industries upon submission of receipts.

EDUCATIONAL TRAINING FUND

8:03(a) The Employer shall contribute ten (10¢) cents per regular hour worked by all employees covered by this Agreement who are employed at Exchanger Industries. The Employer also agrees that should the total cash and investments of the Fund drop below \$30,000.00, the contribution shall increase to fifteen (15¢) cents. This fifteen (15¢) cent rate will continue until the total cash and investments of the Fund reach \$75,000.00 at which time the rate will be reduced to ten (10¢) cents. This rate shall increase when all Local 146 shops have ratified.

8:03(b) The above contributions shall be payable to the Calgary Educational Training Fund and forwarded to the Secretary-Treasurer of Local Lodge 146 at 11055 – 48 Street S.E., Calgary, Alberta, T2C 1G8 together with a tabulation showing each employees name, Social Insurance Number, hours worked and the amount of the contribution, before the twentieth (20th) day of the month following the month for which the contributions were made.

ARTICLE 9: UNION SECURITY

9.01 The Employer agrees to employ only members in good standing with the Union, who will at all times assist the Employer to secure competent Boilermakers and Helpers. Should the Union find it impossible to secure the necessary Boilermakers and Helpers within forty-eight (48) hours, the Employer may hire such Boilermakers and Helpers as are available. The

Employer shall deduct in accordance with the appropriate section of the Alberta Labour Code, the amount of dues or levies as may be authorized by the employee. Such dues shall be deducted from the first pay period of each month and forwarded with the social insurance numbers to the Secretary-Treasurer of Local 146, 11055 – 48 Street S.E., Calgary, Alberta T2C 1G8, before the twentieth (20th) of the month.

- 9.02 All new and recalled employees must report to the Union office and sign an application for membership and check-off dues by the end of the first work day.
- 9.03 When shop employees are to be used on outside construction, the Union shall be notified by Management in advance of the start of the job. Shop employees shall receive rates and conditions as in the established Field Construction Agreement. Travel allowance computed under the Field Agreement to be modified to pay traveling time in keeping with hours actually traveled.
- 9:04 Employees will be allowed a one-half (½) hour unpaid meal break on all shifts.
- 9:05 The Employer shall schedule for all employees two (2) rest periods of ten (10) minutes each, during their normal daily working hours, and every two (2) hours when working overtime, including a break of ten (10) minutes prior to starting overtime at the end of their regular shift, providing the overtime is two (2) hours or over. These rest periods shall be known as coffee breaks and shall be scheduled at times to be decided by the Employer. The employees are also allowed a five (5) minute cleanup and tool return time at the end of the shift.
- 9:06 An employee who will not be at work on his normal working day due to illness or other reasons, must notify the office within one (1) hour of his normal shift start time.
- 9:07 Before any employee is dismissed by the Employer, he shall be given one (1) written warning with a member of the Shop Committee in attendance. The employee shall not be dismissed on this warning only. If the employee has not received a warning within any period of three (3) months, any previous warnings will be removed from his record, however, if a second warning for the identical offense is issued, the previous warning will be reinstated in the employee's record if the re-occurrence takes place within six (6) months of the first offense. These warnings will remain on record for six (6) months before being removed. Unrelated warnings will still be removed at three (3) months. Notwithstanding the foregoing, any employee may be discharged without prior warning if he breaks or contravenes any of the Company rules and regulations which call for instant dismissal. In order to act on such rules and regulations, they must be posted and transmitted to the Union. (See Appendix "A"). Such rules and regulations do not limit the Employer's right to instantly dismiss an employee for serious offenses not listed.
- 9:08 All permanent job vacancies shall be posted on the bulletin board, giving the classification, shift and rate of pay. Such posting shall remain for a period of three (3) working days during which time all employees bidding on the job shall sign the job posting form.

Seniority, if merit, ability and experience are approximately equal, shall govern such appointments. If there are no bidders qualified to perform the

job in question, the Company may fill the job by hiring a new employee or by voluntary transfer. Prior to the Company selecting an applicant under the above procedure, it will discuss the proposed selection with the Shop Committee. Employees shall not be permitted to bid more than once each year for a job paying the same rate of pay as the job the employee has.

9:09 Cooperative meetings between Management and Shop Committee shall be held once each month, if required.

9:10 The Employer agrees that all work normally performed by members of the Bargaining Unit and coming within the jurisdiction of the Union, shall be done by such employees, and that such work will not be contracted to any other party. All such work shall be done by these employees as part of their regular or overtime hourly paid work and shall not be done on incentive or contract basis.

Should it become necessary to sub-contract work to another Company, the Employer agrees that said sub-contracting shall be given to a Union Shop whenever possible. In the event this cannot be adhered to, the Employer shall contact the Business Manager of Lodge 146 to advise an alternate supplier.

ARTICLE 10: WORK CLASSIFICATION

10:01 Mechanics:
Mechanics work shall consist of all work within the trade claims of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers of the International Subordinate Lodge Constitution.

10:02 (a) Apprentices:
Apprentices shall perform work as in Article 1, Section 1. An Apprentice will be given ample opportunity to cover all sections of his trade. The ratio of Apprentices shall be one (1) Apprentice to three (3) Journeymen. The same ratio to apply when lay-offs occur.

10:02(b) Prior to an Apprentice attending Apprenticeship Training School, he will be given a notice of lay-off and notice of recall to be effective the next working day following completion of the school period.

10:02(c) When Apprentices attend school, the Employer will pay for the two (2) week EI waiting period at EI rate.

Any advances on EI pay and tuition (Training Fund) to be repaid by employee.

10:03 Helpers:
Heating and bucking up rivets, power brush operating, external power, grinding, cleaning, assisting mechanics in the performance of work and such other work as is generally recognized as helpers work. Any helper doing mechanics work while not under the direction or supervision of a qualified mechanic shall be paid mechanic's rate of pay.

10:04 Laborers:
Shall include handling of raw materials, finished goods, moving rotating rolls and burning equipment, cleanup and housekeeping duties, installing and dismantling test blinds, pushing of tubes, deburring materials, cleanup grinding.

- 10:05 If work in a lower paid classification is temporarily assigned to an employee, the employee shall receive his regular rate of pay for such temporary period.
- 10:06 If work in a higher paid classification is temporarily assigned to an employee, the employee shall receive not less than the minimum rate of the higher classification while holding this classification.
- 10:07 With regard to Article 10, Section 10:06 above, relating to temporary upgrading, it is understood that if such a temporary assignment is made, the Employer shall not take the position that the foregoing is not applicable because the employee has not been formally reclassified. On the other hand, the Union recognizes that the normal work of one (I) classification may involve some of the work of a higher classification and that this normal overlay of job functions does not constitute a temporary assignment to a higher paid classification. It is further acknowledged by the Union that persons who are apprenticing or otherwise learning skills of a fully qualified person shall not be regarded as having been temporarily assigned to the job performed by such fully qualified persons.
- 10:08 All new employees shall serve a probationary period of sixty (60) calendar days.

ARTICLE 11: WORKING CONDITIONS

- 11:01 A change and lunch room shall be provided. Location of these facilities is at the discretion of Management. Personal effects of each employee in the amount of two hundred (\$200.00) dollars shall be covered by fire and theft insurance.
- 11:02 The foreman shall sign a safe-slip before any employee proceeds to work in or on any vessel or tank which has contained explosives or inflammable material. When it is necessary to perform any work on vessels, etc., which contain or have contained substances likely to cause noxious fumes or fumes likely to cause discomfort to the employees, the Employer agrees to take the necessary steps to ensure that employee discomfort is kept to a minimum. Employee discomfort caused by spray painting will be minimized by appropriate action by the Employer.
- 11:03 If any employee meets with an accident during working hours and his physician deems it not safe for him to continue to work, he shall be paid his regular pay for that full shift.
- 11:04 Compensation regulations shall apply and their provisions shall be considered as minimum requirements.
- 11:05 The Employer is to provide coveralls and shoe coverings for men employed on spray painting. Leather sleeves and aprons will be provided for welders and protective aprons will be made available for radial drill operators. Gloves and safety equipment shall be supplied by the Employer. The Employer agrees to allow safety footwear purchases by employees to be made through the Company. These purchases may be made through payroll deductions if purchased from the Mobile Safety Footwear Sales Truck. The Company will contribute a maximum of one hundred seventy-five dollars (\$175.00) per calendar year towards the

purchase of approved safety boots. This boot allowance will be paid in the pay period following submission of valid receipts to current employees with a minimum of six (6) months continuous service. The Employer agrees to deduct one (1) pair of coveralls from all employees using the Company Plan for Coverall Exchange of one (1) pair per week.

- 11:06 The Employer agrees that no employee shall lose wages by reason of serving on a jury including selection day and accordingly, the Employer shall pay the difference between whatever compensation the employee received for serving on a jury and the regular amount of wages as would be normally earned.
- 11:07 In the event of the death of an employee's wife, child, mother, father, step parent, brother, or sister, such employees shall receive three (3) days off with regular pay. In the event of the death of an employee's grandmother, grandfather, grandchild, mother-in-law or father-in-law, such employee shall receive one (1) day off with regular pay. If an employee of the Company is requested to serve as a pallbearer of a fellow employee on a regular working day, he shall receive one (1) day off with regular pay. Additional days may be granted by the Company at the employee's expense. Proof of death may be required. (The above shall not apply if the employee is on vacation or leave-of-absence).
- 11:08 Prescription Safety Glasses, for employees only, as required by the Company Safety Policy, will be reimbursed by the Group Benefit Plan to a maximum of \$300 every 24 months.
(This is in addition to the existing Group Benefit Plan coverage of \$300.00 every 24 months)
Non-prescription safety glasses will be supplied to all employees and dispensed in the same manner as tools are supplied.
- 11:09 No employee excluded by the certification shall perform any work coming within the jurisdiction of the Agreement.

ARTICLE 12: BREAKDOWN AND CALL-OUT

- 12:01 Breakdown: Any hourly rated employee who reports for work and is dismissed for that day by reason of some breakdown or cause for which he is not responsible shall be paid for the actual time worked, or for four (4) hours pay, whichever is the greater.
- 12:02 Call Out: Any hourly rated employee who is called out for work outside his normal shift, shall be paid for the actual time worked at the rate of pay as per Article 8, or for four (4) hours at the rate of pay as per Article 8, whichever is the greater.

ARTICLE 13: SENIORITY

- 13:01 Seniority in a category shall govern lay-offs and recalls. An employee shall not be entitled to seniority rights until he has been continuously employed for a period of sixty (60) calendar days and then his seniority shall date back to date of hiring.

Separate seniority lists shall be kept for the following: Laborers, Helpers, Machine Operators, Tradesmen, Journeymen, Boilermakers, Welders,

Leadhands. In the case of layoff, each list shall be considered a separate unit. The seniority lists shall be posted on the notice board and a copy of each list shall be forwarded to the Secretary Treasurer of the Union, every three (3) months. The lists shall be posted on the board and revised every three (3) months and in the event the said list is not challenged within a period of fourteen (14) days after the list has been posted by any employee, whose name has been added to the list, the said seniority list shall be deemed final and conclusive in respect to such employees henceforth. Employees who are absent for any reason when the list is posted, shall be given fourteen (14) days to challenge the list after returning to work.

13:02(a) The following excerpts from the Alberta Employment Standards Code shall be considered the minimum for the purpose of lay-off.

In advance of any lay-off expected to exceed sixty (60) days duration, the affected employee(s) shall receive written notice of lay-off on the following basis:

- 1) 1 week, if the employee has been employed for more than 3 months, but less than 2 years.
- 2) 2 weeks, if the employee has been employed for 2 years or more but less than 4 years.
- 3) 4 weeks, if the employee has been employed for 4 years or more, but less than 6 years.
- 4) 5 weeks, if the employee has been employed for 6 years or more, but less than 8 years.
- 5) 6 weeks, if the employee has been employed for 8 years or more, but less than 10 years.
- 6) 8 weeks, if the employee has been employed for 10 years or more.

13:02(b) In advance of any lay-off not to exceed sixty (60) days duration, the affected employee(s) shall receive a minimum of two (2) working days notice.

13:02(c) If the Employer cannot provide work for the employee(s) affected by lay-off for the full notice period, the employee(s) shall receive a sum of money that is at least equal to the wages the employee would have earned if the employee had worked his regular hours of work for the period of notice applicable, or a combination of a portion of the notice of lay-off together with money that is at least equal to the wages the employee would earn if he worked his regular hours of work for the period of notice applicable to the employee under Articles 13:02(a) or 13:02(b) that is not given.

13:03(a) Should it be necessary to reduce the working forces on the job, the Employer shall lay-off their employees in the followings sequence:

1. The non-members/permits.
2. Travel card members from other lodges.

3. Members of the Local Lodge 146 except that consideration must also be given to retain sufficient employees on each job classification to suit the nature of the work remaining.

13:03(b) Any employee absent for reason of sickness or authorized leave-of-absence shall accrue seniority up to a maximum of six (6) months. Extended to a maximum of one (1) year for employees with over five (5) years seniority.

13:03(c) Any employee whose absence is occasioned by a compensable accident shall accrue seniority up to a maximum of one (1) year. Extended to a maximum of two (2) years for employees with over five (5) years seniority.

13:04 Accumulated seniority will be lost by any employee only if:

1. He is discharged
2. He voluntarily quits
3. He fails to report to the Employer or produce a medical certificate within five (5) working days after being notified to report to work following layoff.
4. Layoff exceeds 6 months for Employees up to seven years seniority, or 12 months for Employees over seven years seniority.

13:05 The Company will advise the shop Steward of the names of employees laid-off, terminated or recalled as said events occur.

ARTICLE 14: SHOP COMMITTEE

14:01 The importance of the Union maintaining at all times a Shop Committee, consisting of qualified employees of the Employer familiar with plant conditions, is recognized.

14:02 The selection of the Shop Committee is recognized as a function of the Union. The Committee shall consist of not less than one (1) nor more than three (3) employees. The Chairman of this Committee shall be the Shop Steward and owing to the nature of his work on this Committee, it is deemed important that he is not to be affected by lay-off or shift change. Therefore, in the event of layoff, he shall be the second (2nd) last man on the job, regardless of his classification. He will be allowed reasonable time to attend to Union business, on Company premises, without loss of pay.

14:03 The Shop Committee shall act in the capacity of a Grievance Committee and the names of the Committee shall be posted on the bulletin board in the shop by the Union from time to time as the occasion warrants.

14:04 At least three (3) members shall act on a Safety Committee. The Committee shall meet with the Management by mutual agreement.

ARTICLE 15: GRIEVANCE MACHINERY - ARBITRATION

15:01 "Grievance" means any difference between the parties (Union, Employees and the Employer) bound by this Agreement, concerning the interpretation, application, operation or alleged violation thereof, including any question as to whether the grievance is arbitrable.

15:02

All grievances shall be finally and conclusively settled without stoppage of work in the manner following:

STEP 1

The Griever shall, with his Shop Steward, discuss any grievance action within five (5) working days, with his Foreman or Superintendent.

STEP 2

Failing settlement within two (2) working days of a grievance under Step 1, the particulars of the grievance shall be set forth in writing and processed by the Shop Steward and one (1) member of the Shop Committee who shall submit the written grievance to the Plant Manager within five (5) working days of the date of the incident giving rise to the grievance. The Plant Manager shall give the Employer's decision within three (3) working days of receipt of the written grievance.

STEP 3

If the decision of the Plant Manager is unsatisfactory, then within five (5) working days of the date upon which the Plant Manager's decision was rendered, the grievance shall be discussed between an official of the Union, the Shop Steward and the Plant Manager.

STEP 4

In the event that the grievance cannot be resolved pursuant to Step 3, within four (4) working days of commencement of discussions as set forth in Step 3, then within ten (10) working days thereafter, the matter may be referred by either party to Arbitration pursuant to the Alberta Labour Code. Any grievance by the Employer or a Union Policy grievance shall initially be discussed between a representative of the Union and a representative of the Employer and if the matter cannot be resolved, the Employer or the Union may proceed to Arbitration pursuant to the Alberta Labour Relations Code.

15:03

Any grievance by the Employer or the Union may be commenced within ten (10) working days of the date of knowledge of the incident or matter giving rise to the grievance. Any grievance by the Employer or the Union shall commence with a request for a discussion to resolve the grievance. Within five (5) working days of such request, a representative of the Union and the Employer shall meet together in an attempt to resolve the grievance. If the grievance is not settled to the satisfaction of either party at this meeting or the meeting is not held, the grievance shall be put in writing and may be referred to arbitration pursuant to the Alberta Labour Relations Code for a final and binding decision

ARTICLE 16: DURATION OF AGREEMENT

16:01

This Agreement shall become effective on August 1, 2010 and shall remain in full force and effect until July 31, 2013 and from year to year thereafter unless either party shall at least ninety (90) days prior to the date thereof notify the other party to this Agreement of a desire to modify or terminate this Agreement. In the event that such notice is given, the parties shall meet not later than fifteen (15) days after receipt of such notice.

Where either party notifies the other of its desire to modify or terminate this Agreement, the Agreement shall remain in full force and effect throughout such period of negotiation arising from the said notification in accordance with the provisions of the Alberta Labour Relations Code.

ARTICLE 17: UNION LABEL

The Company and the Union shall enter into the standard Union Label Agreement.

ARTICLE 18: NO STRIKES OR LOCK-OUTS

There shall be no strikes, lock-outs, slow-downs or other cessation of work during the period of this Collective Agreement, nor will the Union cause or participate in any slow-down or similar interference with production.

ARTICLE 19:

In the event any provision of this Agreement being in conflict with Provincial Statutes, the parties agree to re-negotiate such provisions for the purpose of making it conform to such Provincial Statutes where required. However, all other provisions of this Agreement shall remain in force.

ARTICLE 20:

The parties may mutually agree to changes in this Collective Agreement during the term of the Agreement and such changes shall be considered to be part of this Agreement. These changes must be agreed in writing and signed by both parties.

APPENDIX "A"

EXCHANGER INDUSTRIES COMPANY RULES AND REGULATIONS (Pursuant to Section 9:07)

Any employee violating any of the below noted Company Rules and Regulations, will be discharged immediately.

1. When the Company considers that theft has occurred of Company or employee equipment, tools or belongings.
2. Refusing to leave the Company premises when ordered to do so by an authorized company representative.
3. Punching of another man's time card.
4. Violations of the company safety regulations, rules, and other company policies.
5. Fighting on Company premises.
6. Willful damage to Company property or damage to Company property resulting from breaching posted Company Regulations.

IN WITNESS THEREOF the parties hereto have executed this Agreement

this 13 day of December, 2010

EXCHANGER INDUSTRIES

Blauveltman

John Micheli

D. Dupont

**INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
RON SHIP BUILDERS, BLACKSMITHS, FORGERS AND
HELPERS, LOCAL 146, A.F. OF L., C.I.O. & C.F.L.**

R. P. [Signature]

Ron Black

J. D. [Signature]
