

AGREEMENT

Between

 **McCoy Corporation**

Acting for

**Scona Manufacturing,
The Real McCoy Service Centres**

and

FARR Canada

(Divisions of McCoy Corporation)

and

McCoy Corporation Employees Association

Effective Date: January 1, 2006

11665 (04)

AGREEMENT

Made this 1st day of January A.D. 2006 (effective date)

between

**McCoy Corporation, herein acting with respect to its
divisions in the City of Edmonton
in the Province of Alberta
known as
Scona Manufacturing,
The Real McCoy Service Centres, FARR Canada
(hereinafter referred to “The Corporation”)**

OF THE FIRST PART

and

**McCoy Corporation Employees Association
(hereinafter called “The Association”)**

OF THE SECOND PART

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ARTICLE 1 – PURPOSE

1.01 – Purpose

To establish mutually satisfactory relations between Corporation and employees.

To provide machinery for the prompt and equitable disposition of disputes and grievances of employees.

To establish and maintain mutually satisfactory working conditions, hours of work, wages and benefits.

ARTICLE 2 – RELATIONSHIP

2.01 – Bargaining Unit

The Corporation recognizes the Association as the sole bargaining agent for the units of employees as described hereunder. Scona Manufacturing, The Real McCoy Service Centres, FARR Canada (divisions of McCoy Corporation)

2.02 – Representatives

Representatives may be elected or appointed to fill a vacancy until the next election to represent members of the bargaining unit as follows:

- | | |
|-----------------|----------------------------------|
| Scona Mfg | - one representative |
| FARR Canada | - one representative |
| The Real McCoy | - one representative – Westend |
| Service Centres | - one representative – Southside |

2.03 – Initiation Dues

The Corporation agrees to require of each employee covered by the terms of this Agreement as a condition of employment, that each such employee pay an amount equal to the monthly Association dues to the Treasurer of the Association not later than the 15th of each month together with an accounting of the amounts deducted, and the Corporation agrees to deduct the regular monthly dues and forward same to the Treasurer aforesaid. Such dues are to be collected from date of hire. The Association Executive will advise the Corporation of the monthly Association dues to be deducted.

2.04 – Function of Management

The Association agrees that it is the right of the Corporation to exercise the following functions of management, without limiting the generality thereof the right to hire, transfer, promote, demote and determine qualifications of any employee to perform any work; designate the work to be performed by the employee and the time or times an employee is to work, subject to notification within forty-eight (48) hours of any change in time or times; determine and change job classifications and job content; determine and change products, schedules, locations and sequence of production and manufacture; introduce new methods and machines;

contract out work. Any record of promotion or demotion of an employee will be documented and will form part of the employee's file, which may be viewed upon written to the Human Resources Dept.

2.04 – Rules

The Corporation reserves the right to make and publish reasonable rules which are not inconsistent with the terms of this Agreement.

ARTICLE 3 – HOURS OF WORK AND OVERTIME

3.01 – Work Week

The work week will be consistent with Alberta Labour Standards and Regulations.

3.02 – Shift Hours

The Corporation reserves the right to alter shift hours at any branch in accordance with work demands or so as to increase productivity or efficiency as long as there is no conflict with Article 3.01. The Corporation agrees to consult with and provide forty-eight **(48)** hours notice to the employees concerned prior to revising the shift hours at any branch covered by this Agreement. The Corporation further agrees that in the event that economic circumstances require a change in shift hours, it will first consult with the Association.

3.03 – Hours of Work

Under Article 2.04, management has reserved the right to determine working hours. Employee must report to his work station and be prepared to work at the specified start time of his shift.

3.04 – Work Day

For all employees covered by this Agreement a day means the period from 3:00 o'clock a.m. of one day to 3:00 o'clock a.m. of the following day.

3.05 – Work Week

For the employees covered by this Agreement, a week means the period from 3:00 o'clock a.m. Sunday to 3:00 o'clock a.m. of the following Sunday.

3.06 – Shift Trade

Employees may be allowed to trade a full shift or any part of a shift with another employee provided that the trade is acceptable to the Corporation and prior approval has been secured. It is required that a written request from both employees involved be submitted to the immediate supervisor prior to the time of trade. It is understood that such exchange will not penalize the Corporation by requiring the payment of any overtime or premium pay.

3.07 – Call-Outs

An employee called back to work after punching out and leaving the premises or called out on a Saturday or Sunday shall be paid at the rate of two (2) times the employee's straight time rate for the actual hours worked or the equivalent of four (4) hours at the employee's straight time rate whichever is the greater.

A call-out does not apply to voluntarily scheduled overtime Monday to Sunday inclusive or to assist in protecting Corporation property during emergency situations such as fire, flood or other similar disasters.

3.08 – Coffee Breaks

On all working days there shall be two (2) paid coffee breaks, a morning coffee break of fifteen (15) minutes and an afternoon coffee break of fifteen (15) minutes. For the night shift there shall be two (2) coffee breaks of fifteen (15) minutes each. Coffee breaks will be announced by sounding a buzzer. A second warning buzzer will sound at the twelve (12) minute mark which will allow employees three (3) minutes to return to their work stations. The Corporation retains the right to set the time for coffee breaks.

3.09 – Overtime

Overtime work for all employees shall be voluntary except in situations of extreme urgency or

emergency. Whenever possible if overtime is required, an employee will be notified at least two (2) hours prior to the end of the shift. All overtime shall be paid at the rate of time and one-half (1 1/2).

3.10 – Banked Overtime Agreement

Any employee or group of employees entering into a banked overtime agreement with the Corporation must do so in writing. The Corporation will provide the employee with a copy of the signed agreement. Cancellation of an overtime agreement requires one party to provide the other with not less than one month's written notice.

The overtime agreement allows overtime hours to be banked and subsequently taken off with regular pay instead of overtime pay. For every hour of overtime worked, one hour is banked. Time off with regular pay instead of overtime pay must be provided, taken, and paid to the employee within twelve (12) months of the end of the pay period in which it was earned.

ARTICLE 4 – WAGE RATES AND CLASSIFICATIONS

4.01 – Wage Schedule

The Corporation agrees to pay and the Association agrees to accept during the life of this Agreement the schedule of wages set forth in the Wage

Appendix which is attached hereto as Appendix “A” and forms part of this Agreement subject to the provisions of Article 18.01.

(a)

Effective January 1, 2006 to December 30, 2006 the schedule of wages in effect shall be amended by increasing all classifications by thirteen (13%) percent per hour.

(b)

Effective December 31, 2006 to March 29, 2008 the schedule of wages in effect since January 1, 2006 shall be amended by increasing all classifications by two (2%) percent per hour.

(c)

Each employee in the apprenticeship trades shall be reclassified effective upon the date the apprentice successfully completes the required technical training and hours set out in the apprenticeship regulations as evidenced by a letter from the Apprenticeship Board.

(d)

Each employee classified in the Job Group General Duty shall be reclassified to the next higher classification on the first working day of January of each year of this Agreement subject to review based on merit and seniority.

(e)

Each employee in the job group Machine Operator shall be reclassified to the next higher classification on the first working day of January of each year of this Agreement subject to there being a vacancy in the basic establishment and subject to the person being qualified by tenure, ability and efficiency. The reclassification to Machine Operator **A**, **B**, or **C** shall only take place upon the successful completion of the Corporation's written or oral examination, a vacancy in the basic establishment occurring and the person having the required tenure, efficiency and productivity.

4.02 – Shift Differential

In addition to the rates set forth in the Schedule of Wages, the Corporation agrees to pay a minimum shift differential of one dollar (\$1.00) per hour for all hours worked on a shift in which half or more of the hours of that shift are worked after 5:00 p.m. For all hours worked after midnight in which half or more of the hours of that shift are worked after midnight, the Corporation agrees to pay a minimum shift differential of one dollar and fifty cents (**\$1.50**) per hour. Shift differential will not be included with the basic rates in computing holiday pay and Statutory Holiday Pay.

4.03 – New Classifications

Should the Corporation during the life of this Agreement find it necessary to establish new permanent job classifications, not now covered by the Appendix “A” to this Agreement, it is agreed that the wage rates for such classifications shall be determined by the Corporation, provided however, that if the Association does not agree with the rate as established for a new job, it may, within thirty (30) days of the date of receiving the notice from the Corporation regarding the new rate, submit the matter of the appropriateness of the rate to arbitration pursuant to Article 14.

4.04 – Pay Days

The Corporation will pay wages every second Friday. The Corporation will provide a direct deposit facility for all employees.

4.05 –Apprenticeship Incentive Plan

Tuition assistance will be available to all apprentices attending technical training and will be limited to tuition costs only. The cost of textbooks, parking, and any other incidentals shall be the responsibility of the employee.

The employee must have ninety (**90**) days of continuous service with the Corporation to qualify.

The employee will sign a promissory note for each monetary advance given.

The advance will be made available at the time of attending school and for that purpose only.

Upon completion of one full year of employment following a completion of a school session, one session of tuition will be forgiven.

If employment is terminated prior to working a full year, the entire tuition amount is repayable (tuition amount will not be pro-rated unless employee is terminated due to lay-off) All monies owed will be deducted from the final pay as per signed promissory note.

ARTICLE 5 – WELFARE BENEFITS

5.01 – Group Plan

The Corporation will pay **fifty** (50) percent of the cost of the following group benefits: Alberta Health Care Insurance, extended medical insurance, life insurance, weekly indemnity, long term disability and dental plan.

5.02 – RRSP Plan

Effective January 1, 2006 to December 30, 2006, the Corporation will match employee contributions up to a maximum of two (2%) percent of regular earnings.

Effective December 31, 2006 to March 29, 2008 the Corporation will match employee contributions up to a maximum of two and one half (2.5%) percent of regular earnings.

5.03 – Bereavement Leave

To assist permanent employees who may suffer an interruption of pay during a period of bereavement through the loss of a member of the immediate family, the Corporation will provide payment at regular wages for up to a maximum of:

- a) five (5) working days for loss of spouse, children, mother or father or spouse's

mother and father. Employee must attend the funeral to qualify. Employee is only eligible for three (3) working days if not attending the funeral.

- b) three (3) working days for loss of employee's or employee's spouse's brother(s), sister(s) or grandparents. Employee must attend funeral to qualify. Employee is only eligible for two (2) working days if not attending the funeral.

To qualify the employee must have ninety (90) days continuous service and must be living with his spouse at the time. To qualify for the full bereavement claim, employee must attend the funeral. The employee must provide the Corporation with a copy of the death certificate, funeral notice or copy of the obituary.

5.04 – Personal Growth Plan

The Corporation will establish a Personal Growth Plan to a maximum of One Hundred (\$100.00) Dollars per calendar year. The employee will be reimbursed upon completion of any program or course that improves on an employee's health, wellness or personal growth. Examples of such programs or courses may include fitness club memberships, weight loss program, stop smoking program, computer course, etc. A receipt must

be submitted for reimbursement and approved by management.

The employee must have one hundred eighty (180) days continuous service with the Corporation to qualify.

ARTICLE 6 – ANNUAL VACATION

6.01 – Annual Vacation

Employees will be eligible for vacations as follows:

- a) in accordance with the Alberta Labour Act and Regulations.
- b) After attaining four (4) consecutive years of service, employees shall be eligible for three (3) weeks vacation, to be granted at such times as are mutually satisfactory to the Corporation and the employee.
- c) After attaining ten (10) consecutive years of service, employees shall be eligible for four (4) weeks vacation to be granted at such times as are mutually satisfactory to the Corporation and the employee.
- d) Vacation pay will be paid at the rate of eight (8) hours per day.

6.02 – Vacation Period

As far as possible, employees shall be granted their choice of vacation periods on a seniority basis but the right to allot vacation periods is reserved by the Corporation in order to assure efficient and continuous operation of the plant. If the employee and the Corporation cannot agree on when vacation time will be taken, the Corporation may give the employee six (6) weeks written notice of when to start annual vacation and the employee must take the vacation at that time.

6.03 – Vacation Changes

Any change of approved vacation must be submitted in writing two (2) weeks prior to the scheduled vacation unless the employee and the Corporation agree to the change. Exchanges or substitutions shall only be granted by the Corporation in very special cases.

6.04 – Vacation Rates

Vacation pay shall be based on four (4%) percent or six (6%) percent or eight (8%) percent as the case may be of the employee's regular earnings but in no event shall the vacation pay be less than that provided for in the Alberta Labour Act and Regulations.

ARTICLE 7 – STATUTORY HOLIDAYS

7.01

The Corporation will recognize the following holidays:

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

In addition, the Corporation will recognize any other holiday that is legislated.

Where any of the above holidays falls on a Saturday or Sunday, the said holiday will be celebrated in accordance with the accepted custom in the community; that is to say, it will be observed whether on the day upon which the holiday falls or alternately on either the Friday before or Monday thereafter. The Corporation will give not less than seven (7) days notice in advance of the holiday as to the day upon which the holiday will be observed.

7.02 – Statutory Pay

Where a statutory holiday, or any of the holidays herein before referred to in this Agreement, occurs on an employee's regularly scheduled work day

he shall be paid at his regular straight time pay for eight (8) hours or ten (10) hours if working a condensed work week. In accordance with Employment Standards the employee will not be paid when a statutory holiday occurs on a day that is **not** a normal day of work for an eligible employee and the employee does not work.

7.03 – Work on Holidays

When an employee is required to work on a holiday, he shall be paid in addition to the holiday pay above provided, one and one-half (1 1/2) times the rate of the classification of the work performed for the hours actually worked on such holiday.

7.04 – Failure to Work

Employees who fail to work when required to do so for emergency reasons on a Corporation recognized holiday without just cause will not be paid for such holiday. An “emergency” and “just cause” shall be determined by the Association and the Corporation but in the event of disagreement, the matter shall be subject to arbitration as hereinafter provided.

7.05 – Absent

An employee who is absent without permission or justifiable reason on either his scheduled work shift before or his scheduled work shift after a Corporation recognized holiday will not be paid for such holiday.

7.06 – Qualification For Statutory Holidays

Employees shall be entitled to all Statutory Holidays after thirty (30) days employment except for Civic Holiday and Boxing Day; employees shall be entitled to the two aforementioned holidays after completing their probationary period of employment.

ARTICLE 8 – SENIORITY

8.01 – Seniority List

The Corporation agrees to establish and post a seniority list covering each of the general trades of the employees covered in this Agreement whenever it is required.

8.02 – Probationary Period

Seniority of employees shall be established after a probationary period of ninety (90) days from the date of employment and, if the employee is found to be satisfactory after said probation period, seniority shall count from the date of employment. The aforesaid probationary period may be extended by the Corporation for an additional period of one (1) month providing written notice of the reason for the extension is given to the employee. Seniority shall

be maintained and accumulated during:

- a) Absence due to lay-off
- b) Sickness or accident for a period not exceeding twenty-four (24) months
- c) Termination of an employee during his/her probationary period shall not be subject to Grievance or Arbitration Procedures.

8.03 – Transfer

The transfer of an employee from one branch to another shall not affect the employee's placement on the seniority list.

If an employee transfers because of position elimination, the employer's shall be offered the first opportunity to return to position when it is re-opened.

If an employee is bumped by reason of seniority the employer will be offered the first opportunity within the employee's operating branch to return to that classification.

8.04 – Lay-Off

In the event of lay-off or recall, the factors of ability, competence and efficiency shall be considered and, where these factors are relatively equal, the employee with the most seniority shall be the last to be laid off and the first to be recalled.

A temporary layoff requires no notice. It cannot be more than fifty-nine (59) days in duration unless:

- a) wages **or** benefits continue to be paid on behalf of the employee or
- b) the Corporation extends the layoff period (not to exceed 1 year as per agreement)

During this fifty-nine (59) day period, the Corporation may recall the employee with one week's written notice. Should the layoff extend past the fifty-nine (59) days, employment will terminate, and the appropriate termination pay for the employee's length of service will be paid out.

8.05 – Seniority Termination

An employee shall lose all seniority if the employee:

1. Voluntarily quits;
2. Is discharged and not reinstated under grievance procedure;
3. Overstays a leave of absence without justifiable reason determined by the Association and Corporation;
4. Is laid-off for a period of twelve (12) months or longer;

5. Is absent from work for three (3) working days without notifying the Corporation unless it is not physically possible to notify the Corporation;
6. After being recalled from a lay-off in his original classification, fails to return to work within seven (7) consecutive days after having been requested to do so in writing, at the last address appearing on the Corporation records.

8.06 – Job Vacancies

In the case of job vacancies, the Corporation shall post such job vacancies on bulletin boards at each branch for a period of five (5) days and where the ability, competence and efficiency of those applying for the job are approximately equal, the employee with the greatest seniority shall be given preference for the job. The Corporation shall be entitled to hire someone who is not then an employee of the Corporation to fill the job in the event that all of those persons who applied for the job, as a result of the aforesaid job posting procedure, are not qualified for the job.

8.07 – Work Shortage

The Corporation must give one (1) weeks notice to the employee in the event of any shift change or work schedule change due to work shortage for extended periods greater than two (2) weeks duration. The Corporation and the Association shall consult for the purpose of considering the shortening of working hours and/or work week as an alternative to laying off employees.

8.08 – Seniority/Overtime

Overtime work must be offered to employees by order of seniority subject to the following conditions:

1. Employee must be employed by the branch and the specific department.
2. Employee must be within the same trade and classification for which overtime **is** required.
3. Preference will be given first to the employee or employees already working on the job.
4. Ability, competence and efficiency for the specific nature of the **work** shall be considered.
5. Availability and willingness of the employee to comply with the conditional requirements of the overtime work.

ARTICLE 9 – SAFETY AND HEALTH

9.01 – Safety

The Corporation agrees to establish a Health & Safety Committee in each shop. There will be two (2) employees per shift designated as 1st aid attendants. Those designated employees will be paid an extra \$.25 per hour.

The Corporation shall make reasonable provisions for the health and safety of its employees during the hours of their employment. The Corporation will cooperate with the Association in investigating health and safety conditions and will carefully consider any recommendations made by the Association in respect thereto. The Association will cooperate in maintaining the Corporation's rules regarding health and safety. However, any employee who refuses to carry out an assignment of work on the grounds that an unsafe condition exists shall not be penalized unless it is proven that no such unsafe condition exists.

An employee's refusal to comply with the Safety Rules and Regulations as set out by the Corporation, may be considered grounds for discipline up to and including termination.

9.02 – Safety Awards Program

Safety Awards will be offered to the Corporation's shop employees annually. Awards will be subject to an annual incremental increase of \$50.00 per year of continuous eligibility to a maximum of \$1,000.00 value.

For example:

- a) \$100.00 value for 1 year of continuous eligible service;
- b) \$150.00 value for 2 years of continuous eligible service;
- c) \$200.00 value for 3 years of continuous eligible service;

To qualify the employee must be employed with the Corporation for a minimum of one (1) year. Employee must be "Loss time WCB claim free" from Jan 1 to Dec 31 of the award year subject to a yearly review by the Branch Manager and the Safety Co-ordinator. Awards to be distributed in January of each calendar year.

Any verbal or written warnings, the employee's overall safety performance and the employee's attitude toward safety, will be used as guidelines to determine whether the employee qualifies for the award. The managers, supervisors, safety coordinator and the branch manager reserve the right to evaluate employee's eligibility to qualify for the award either by verbal or written means.

9.03 – Washrooms

The Corporation will provide suitable washroom facilities for the employees in each branch. The onus of responsibility for the overall cleanliness falls to both the Corporation and the Employees.

9.04 – Workers' Compensation

Where there is a Workers' Compensation payment involved by reason of accident, the Corporation will pay for the balance of any shift lost to the workers by reason of the accident for that day. The Employee must report the accident immediately or by the next day to the Branch Manager, the Health & Safety Co-ordinator or the Foreman. The Employee and the Corporation must comply with the Modified **Work** Program.

ARTICLE 10 – EQUIPMENT

10.01 – Personal Protective Equipment

The Corporation will standardize in all its branches its policy with respect to supplying small tools and equipment to employees such as creepers, trouble lights, fender covers, seat covers, gloves and goggles and so on and agrees to reasonably maintain the same. Gloves will be provided for employees at no charge. Welding gloves will be supplied to

welders upon recommendation of the supervisor. During the term of this Agreement, the Corporation will provide employees with seven (7) sets of coveralls and the Corporation will pay **fifty** (50%) percent of total cost of coverall cleaning service. On personal protective equipment, the Corporation will pay 100% of safety hardex lens and/or custom fit hearing protectors and/or work boots to a maximum of one hundred **fifty** (\$150.00) dollars for the term of the Agreement. A carry-over of one (1) year will be allowed for claiming funds.

The employee must have one hundred eighty (180) days continuous service with the Corporation to qualify.

10.02 – Small Tools Allowance

The Company agrees to continue with a Small Tool Matching Allowance to a maximum of three hundred \$300.00 dollars from January 1, 2006 to December 30, 2006 for related tool (subject to management approval),

From December 31, 2006 to March 29, 2008, the Small Tool Matching Allowance will also be three hundred (\$300.00) dollars for related tools subject to management's approval. A one (1) year carry-over will be allowed.

The employees shall be required to furnish their hand tools if they are employed to perform work that requires the use of the same. (see Appendix B for listing)

ARTICLE 11 –DISCHARGE OR SUSPENSION

11.01 – Complaint on Discharge

In all cases of complaints arising out of discharge or suspension, written notice of such complaint must be filed directly with the branch manager by the employee or his representative within five (5) working days after the discharge or suspension. The branch manager will make his decision known within four (4) working days of receipt of the grievance, excluding holidays and days off. Failing a satisfactory solution the grievance shall go to Step 3 of the grievance procedure as outlined in Article 13.01.

11.02 – Consultation

An employee shall have the right to consult with his Association representative for fifteen (15) minutes prior to leaving the premises when discharged or suspended.

11.03 – Discharge

The Corporation reserves the right to discharge or suspend any employee for just cause, subject to the terms and conditions of the agreement.

11.04 – Outside Work

It shall be considered just cause for immediate discharge for an employee to solicit or perform work for compensation, if that work is competitive in nature to that performed by the Corporation in any of its operations, in any other than the Corporation's place of business, except as may be directed by the Corporation.

ARTICLE 12 – LEAVE OF ABSENCE

12.01 – Leave of Absence

When an employee's personal affairs make it necessary for an employee to be relieved temporarily of his duties, leave of absence may be granted by the Corporation for good and sufficient reason. Any leave of absence so granted shall be without pay and no loss of seniority shall result, provided such absence is of less than three (3) month's duration.

ARTICLE 13 – GRIEVANCES

13.01 – Grievances

Should any dispute or grievance arise between the Corporation and its employees relating to this Agreement or should an employee feel that he has been unjustly dealt with by the Corporation, there shall be no suspension of work on account of such dispute and the dispute or grievance shall be resolved in the following manner:

Step 1: Any grievance, whether affecting one or more employees, shall be submitted, in writing on a standard grievance form which is attached hereto and made part of this Agreement, to the branch foreman within five (5) working days of the occurrence of the act causing grievance. The branch foreman will give his decision to the Association within two (2) working days of receipt **of** the grievance, excluding holidays and days off.

Step 2: Failing a satisfactory solution of the grievance in Step 1, a member of the Association Executive shall submit the grievance to the branch manager within two (2) working days of receipt of the reply in Step 1, excluding holidays and days off. The branch manager will make known his decision within seven (7) working days of receipt of the grievance, excluding holidays and days off.

Step 3: Failing a satisfactory solution of the grievance in Step 2, either party may submit the dispute to arbitration within twenty-one (21) calendar days of receipt of the decision of the branch manager in Step 2. In the event that either party to the grievance fails to process the grievance in the times stipulated in any of the steps outlined above, this party shall be deemed to have conceded the dispute to the other party.

If at any step in dealing with a dispute or grievance, an agreement is reached, a note or memorandum in writing of the agreement reached shall be made and signed by the representative of the Corporation and by the employee or employees as well as by the representatives (if any) of the Association who were present at the time when the agreement was reached. Any agreement so reached shall be final and binding on all concerned in connection with the dispute or grievance.

A copy of the dispute and any resulting agreements must be provided to each, the employee, the Corporation and the Association Representative.

Time spent by an Association representative during his regular, scheduled working shift with Corporation officials in the processing of any grievance under this Agreement shall be considered as time worked and shall be paid for by the Corporation at the employee's regular rate of pay as herein provided.

All steps and time limits as set out in the grievance procedure and the subsequent arbitration procedure shall be considered mandatory.

ARTICLE 14 – ARBITRATION

14.01

Where a difference exists between the two parties relating to the interpretation, application or administration of this Agreement, and with respect of any contravention or alleged contravention thereof, either of the parties may, within twenty-one (21) calendar days of exhausting any grievance procedure established by this Agreement, notify the other party in writing of its intention to submit the difference to arbitration. Such intention shall be submitted, in writing, addressed to the other party of this Agreement and shall contain nomination of an arbitrator. Within seven (7) calendar days thereafter, the other party will nominate its choice

as arbitrator. The two arbitrators so nominated shall meet immediately and if, within seven (7) calendar days of their first meeting, they have failed to settle the grievance, they shall attempt to select by agreement a Chairman of the Arbitration Board. If they are unable to agree upon the choice of such a chairman within a further period of twenty-four (24) hours, they may then request the Director of Mediation to appoint a chairman.

14.02 Arbitration Board

The Arbitration Board shall not be authorized to make any decision inconsistent with the provisions of the Agreement nor to alter, modify or amend any part of this Agreement. Neither shall the Arbitrators have the authority to add or delete from the provisions of this Agreement.

14.03 Arbitration Expenses

Each of the parties to this Agreement shall bear equally the expense of Arbitrators appointed and the parties will jointly bear the expense, if any, of the Chairman.

14.04 Arbitration Involving Discipline

In the case of an arbitration involving discipline, the Arbitration Board shall have the power to vary the discipline of the employee in such a manner as it considers just and equitable.

ARTICLE 15 – NO STRIKE OR LOCKOUT

15.01 NO Strike Or Lockout

The parties agree that there will be no lockout or strike action including work to rule, slow down or other interference or interruption of work during the life of this Agreement.

ARTICLE 16 – ASSOCIATION SECURITY

16.01 Membership

Every employee who is now or hereafter becomes a member **of** the Association shall maintain membership in the Association **as** a condition of employment and every new employee employed within the bargaining unit shall apply for and maintain membership in the Association as a condition of employment.

ARTICLE 17 – LABOUR/MANAGEMENT COUNCIL

17.01 Labour/Management Council

The Company agrees to institute a Labour/Management Council comprising all directors of the association and members from management to discuss, at intervals of not less than three (3)

months, issues of mutual interest. Each party will provide the other with an agenda of any items to be discussed at least five (5) days prior to the meeting.

17.02 Meetings

The Corporation will, through its Directors or appointed representatives, meet with the Executive members of the Association at such times as may be necessary for the consideration of matters of mutual interest. Time spent by employees in such conference shall be without loss of regular scheduled time or pay.

ARTICLE 18 – TERM

18.01 Term

This Agreement shall become effective on the 1st day of January A.D. 2006 and shall remain in full force and effect from that date until the 29th day of March A.D., 2008 and from year to year thereafter unless either party gives notice of its desire to terminate the Agreement. Such notice must be given not less than sixty (60) days prior to the termination of the Agreement. The terms of this Agreement will continue during any negotiations concerning same until fourteen (14) days after a vote to accept or reject a Mediation Officer's recommendation.

Dated at the City of Edmonton, in the Province of Alberta, this 1 day of February, 2006.

McCoy Corporation



J. Rakdevich, President & C.E.O.



D. Dagenais, Farr Canada



J Stayko, Director of Services



L. Babcock, General Manager Scona

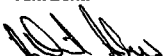


D. Patenaude, Human Resources
Manager

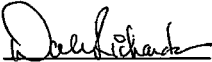
**The McCoy Bras. Employees
Association**



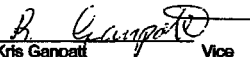
Tom Benitt President



Dave Anslow Treasurer



Dale Richardson Director



Kris Ganpatt Vice
President

Grievance Report No. _____

Date: _____ Department: _____

Grievance Initiated By: _____

Nature of Grievance (a statement of the circumstances surrounding the grievance complaint):

Signature:
Association Representative

Signature:
Employee

Formal Procedure To Follow

Step 1: A grievance must be submitted to the branch foreman in writing on a grievance form within five (5) working days of the occurrence of the act causing the grievance.

Date Received Branch Foreman's Signature

Step 2: The branch foreman must give his decision to the Association within two (2) working days of receipt of the grievance excluding holidays and days *off*.

Date Received Association Representative's
Signature

Step 3: Failing a satisfactory solution of the grievance, the Association Executive shall submit the grievance to the branch manager within two (2) working days of receipt to the branch foreman's reply.

Date Received Branch Manager's Signature

Formal Procedure To Follow (continued)

Step 4: The branch manager will make known his decision within seven (7) working days of receipt of the grievance excluding holidays and days off.

Date Received Association Representative's
Signature

Step 5: Failing a satisfactory solution of the grievance, either party may submit the dispute to arbitration within twenty-one (21) calendar days of receipt of the branch manager's decision.

Action taken by management to provide a solution to the grievance:

Formal Procedure To Follow (continued)

The Association Executive hereby accepts the solution offered by management of the Corporation:

Employee Signature

Association Representative's
Signature

Date

Head Office Use Only:

Grievance received by _____
on behalf of McCoy Corporation

Date: _____

Time: _____

APPENDIX B

AUTHORIZED TOOL LIST

(Purchases must be pre-authorized by Management to qualify for Allowance)

Air Tools

1/2" impact (good quality) deep & shallow impact sockets 3/8 - 1 1/4, 1/2 impact swivel & impact extensions

Air hammer (med. duty) selection of chisels

3/8 air ratchet

Mini Die grinder

Drill 3/8 or 1/2 inch & drill bit index 1/8 - 1/2 inch

Hand Ratchets and Sockets

3/4 inch ratchet, swing bar, extensions, and 7/8 - 2 inch sockets

1/2 inch ratchet, 1/2 inch breaker bar: extension,
1/2 - 1 inch deep and shallow sockets

3/8 inch ratchet, extensions, 1/4 - 7/8 and

10mm - 24mm shallow and deep sockets

1/2 inch torque wrench

Hand Wrenches

Combination wrenches 1/4 - 1 1/4 & 10mm - 24mm

3/8 - 3/4 line wrenches

6" & 12" crescent wrench

12" pipe wrench

Set of Allan wrenches

Screwdriver

6" & 10" flat blade
Small/Med./Large Philips
Green /Red/Black Robertson
10 - 40 torx

Pliers

Pliers
Water pump pliers
Hose cutting pliers
Side cutters
Vise grips
Needle nose
"C" clamp vise grips

Electrical Tooling

Multi meter
Wire strippers and crimpers
Test light
Mini torch
Razor knife

Hammers

Mini sledge
Various sized ball pein
Rubber hammers
Dead blow hammers
Chipping hammers

Measuring Tools

Tape measure
6" venier caliper
1 - 6 inch of micrometers
Dial indicators
Angle finders
Center gauges
Ruler/straight edge
Squares/tri square
Levels

Punches and Pry Bars

Pry bars
Alignment bars
Tie rod tool (Pickle fork)
Various punches, chisels & scribes
Gasket scraper

Other

Creeper
Trouble light
(3wire) extension cord
Flash light
Grease gun
Hacksaw
Easy outs
Seal pics
Striker
Wire brush

Cutting glasses

Welding helmets

5" angle grinders (Welders Only)

Cold weather gear (yardmen only)

Tool Box

APPENDIX "A" - WAGES

Effective January 1, 2006

TRADE CLASSIFICATIONS

Code	Trade	Journeyman			Apprentice Class							
		A	B	C	4.5	4	3.5	3	2.5	2	1.5	1
MEC	HD MECHANIC	100.0%	97.5%	95.0%	92.5%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%
WEL	WELDER	\$26.81	\$26.14	\$25.47	\$24.80	\$24.13	\$22.79	\$21.45	\$20.10	\$18.76	\$17.42	\$16.08
		100.0%	97.5%	95.0%	92.5%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%
MAC	MACHINIST/MILL	\$26.81	\$26.14	\$25.47		\$24.80	\$24.13	\$22.12	\$20.10	\$18.09	\$16.08	
		100.0%	97.5%	95.0%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%	55.0%
CNC	CNC SPECIALIST	\$27.37	\$26.68	\$26.00	\$24.63	\$23.26	\$21.89	\$20.53	\$19.16	\$17.79	\$16.42	\$15.05
		100.0%	97.5%	95.0%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%	55.0%
TMEC	TRAILER MECH	\$33.20	\$32.37	\$31.54								
		100.0%	97.5%	95.0%	88.2%	82.4%	76.5%	70.6%	64.7%	58.8%	52.9%	47.0%
		\$22.79	\$22.22	\$21.65					\$20.10	\$18.76	\$17.42	\$16.08

NON-TRADE CLASSIFICATIONS

Code	Trade	Special Rating			Class							
		A	B	C	4.5	4	3.5	3	2.5	2	1.5	1
MOP	MACHINE OPER	100.0%	97.5%	95.0%	91.0%	87.5%	83.5%	80.0%	76.0%	72.0%	68.5%	65.0%
		\$22.06	\$21.51	\$20.96	\$20.07	\$19.30	\$18.42	\$17.65	\$16.76	\$15.88	\$15.11	\$14.34
GDP	GENERAL DUTY	100.0%	97.5%	95.0%	90.0%	87.5%	85.0%	82.5%	80.0%	77.5%	75.0%	72.5%
		\$17.74	\$17.30	\$16.85	\$15.97	\$15.52	\$15.08	\$14.64	\$14.19	\$13.75	\$13.30	\$12.86

Effective December 31, 2006

TRADE CLASSIFICATIONS

Code	Trade	Journeyman			Apprentice Class							
		A	B	C	4.5	4	3.5	3	2.5	2	1.5	1
MEC	HD MECHANIC	100.0%	97.5%	95.0%	92.5%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%
		\$27.34	\$26.66	\$25.98	\$24.61	\$23.24	\$21.87	\$20.51	\$19.14	\$17.77	\$16.41	
WEL	WELDER	100.0%	97.5%	95.0%		92.5%	90.0%	82.5%	75.0%	67.5%	60.0%	
		\$27.34	\$26.66	\$25.98		\$25.29	\$24.61	\$22.56	\$20.51	\$18.46	\$16.41	
MAC	MACHINIST/MILL	100.0%	97.5%	95.0%	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%	55.0%
		\$27.91	\$27.22	\$26.52	\$25.12	\$23.73	\$22.33	\$20.94	\$19.54	\$18.14	\$16.75	\$15.35
CNC	CNC SPECIALIST	100.0%	97.5%	95.0%								
		\$33.87	\$33.02	\$32.17								
TMEC	TRAILER MECH	100.0%	97.5%	95.0%					88.2%	82.4%	76.5%	70.6%
		\$23.24	\$22.66	\$22.08					\$20.50	\$19.14	\$17.77	\$16.04

NON-TRADE CLASSIFICATIONS

Code	Trade	Special Rating			Class							
		A	B	C	4.5	4	3.5	3	2.5	2	1.5	1
MOP	MACHINE OPER	100.0%	97.5%	95.0%	91.0%	87.5%	83.5%	80.0%	76.0%	72.0%	68.5%	65.0%
		\$22.94	\$22.37	\$21.79	\$20.88	\$20.07	\$19.16	\$18.35	\$17.44	\$16.52	\$15.71	\$14.91
GDP	GENERAL DUTY	100.0%	97.5%	95.0%	90.0%	87.5%	85.0%	82.5%	80.0%	77.5%	75.0%	72.5%
		\$18.45	\$17.99	\$17.53	\$16.60	\$16.14	\$15.68	\$15.22	\$14.76	\$14.30	\$13.84	\$13.38

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