

COLLECTIVE AGREEMENT

By And Between:

SMS EQUIPMENT INC.

AND:

COMMUNICATIONS, ENERGY AND PAPERWORKERS

UNION

LOCAL # 707

WITNESSETH: that the parties hereto agree as follows:

ARTICLE 1 PURPOSE

1.01

a) The purpose of this Agreement is promote harmonious relations between the Company and the employees; encourage safety; promote the morale of all Employees through procedure for the fair and peaceful resolution of grievances and disputes; to provide a means for continuing dialogue that has the mutual objective of resolving differences and matters of concern to either party and to promote a shared commitment to effective and efficient operation in the interest of both parties.

b) The provisions of this Agreement are intended to be gender neutral, and will be interpreted on that basis.

ARTICLE 2 UNION RECOGNITION

2.01

The Company recognizes the Union as the sole and exclusive bargaining agent for all Employees at the Fort McMurray locations except office, clerical and sales personnel.

2.02

If the Company implements, during the life of the Agreement, a new job not covered by this Agreement the incumbents will automatically be included in the bargaining unit unless specifically excluded by mutual agreement or by virtue of being excluded by the Labor Relations Board Certificate.

2.03

There shall be an automatic deduction of an amount equivalent to the membership dues determined by the Union from the wages of all Employees. The Company shall forward to the Union all dues deducted within fourteen (14) days after such deductions were made along with a list of Employees and the amount deducted on each persons behalf. The payment of dues is a condition of employment.

2.04

Union dues deducted will be included on Employees' T4 slips.

ARTICLE 3 MANAGEMENT RIGHTS

The union recognizes that:

3.01

The management and operation of the plant and the direction of the working forces are vested exclusively in the Employer.

3.02

The Employer has and shall retain the right to select its Employees, to hire, classify, promote, demote or

discipline them and discharge Employees for just cause, provided that a claim of discrimination against an Employee in respect to any of these matters, or a claim of violations, of any Section or Article of this Agreement, may be the subject of a grievance and be dealt with as hereinafter provided.

3.03

Matters not specifically covered by the expressed provisions of this Agreement will be dealt with at the sole discretion of the Company.

**ARTICLE 4
DISCRIMINATION**

4.01

Neither party shall discriminate against any employee on the basis of Union activity, race, religious beliefs, colour, gender, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status or sexual orientation of that person or any other person. The parties will act in accordance with Human Rights, Citizenship, and Multiculturalism Act and that the foregoing grounds are subject to the bonafide occupation requirements permitted in law.

**ARTICLE 5
UNION REPRESENTATION**

5.01

The Union agrees to notify the Company of the names of the personnel authorized to represent the Union in its' relations with the Company.

5.02

The Company and the Union agree to form a Joint Union Management Committee consisting of the Bargaining Unit Executive as well as selected members of Management for the purpose of discussing matters of concern that may arise between the parties. The Committee will meet as required to discuss current issues but will have no authority to alter or amend any terms and conditions of this Collective Agreement.

5.03

The Company agrees on a semi-annual basis, or as required, to furnish the Union with a complete seniority list of all Employees in the Bargaining Unit. This list is to include any Employee hired, terminated, promoted or transferred outside the jurisdiction of the bargaining unit since the previous report.

5.04

The Company agrees to recognize one (1) duly elected or appointed Union Steward per twenty (20) bargaining unit employees. The union will provide to the Company an updated list of Stewards quarterly.

5.05

Union stewards will be permitted paid time away from regular duties to investigate and or present grievances on behalf of any Employee. The Steward must notify the immediate supervisor and receive prior

approval for the expected length of absence.

5.06

All new Employees will be given a copy of the collective agreement and introduced to a shop steward, if available, for the purpose of indoctrination by the Union.

5.07

The National Representative of the Union shall have access to the workplace and may attend any meetings with Management upon request of the Bargaining Unit Executive. The bargaining unit will notify and obtain Management approval of any such requests.

5.08

Any Employee shall have the right to have a Union Steward present at any discussion with Management that the Employee believes might be the basis for disciplinary action. In the course of a conversation if the employee believes it is becoming a disciplinary action or will be used in a disciplinary action, they have the right to end the conversation until a Union Steward is present. The Employer may also require a Steward to be present.

5.09

Any Employee will be provided supervised access to their personnel file upon request. Further, it is agreed that records of disciplinary action placed on an Employee's personnel file that are over twelve (12) months old will not be referred to in any subsequent action or arbitration hearing, provided there are no further incidents of discipline during this twelve (12) month period.

An exception to the above paragraph will be Last Chance Agreements. Last Chance Agreements will remain on an employee's file for the period of time outlined in the Last Chance Agreement. If a period of time is not outlined, the Last Chance Agreement will remain on the employee's file indefinitely. Last Chance Agreements will normally be agreed upon by the Union, the Employee and Management. In the absence of an agreement, Management will impose the Last Chance Agreement, in which case the Union may choose to grieve and arbitrate the Last Chance Agreement in accordance with Articles 7 and 8.

5.10

Leave of absence without pay and without loss of seniority will be granted to:

- a) Employees who are representatives of the Union on the bargaining committee to carry on negotiations with the Employer.
- b) Employees called to appear as a witness before an arbitration hearing.

5.11

Leave of absence without pay and without loss of seniority may be granted to not more than two (2) Employees to attend Union conferences, conventions or training courses providing each leave is not more than seven (7) working days and further provided the Company is notified at least seven (7) days in advance. Such leaves will not be unreasonably denied.

5.12

The Company will provide funds to the Union in the following manner:

- a) Four hundred (400) hours of paid time at the Journey Trades regular base wage in each bargaining year for bargaining preparation.
- b) Fifty (50) hours of paid time at the Journey Trades regular base wage in each year to the SMS Equipment Union President (or designate) to conduct business of the Local Union.
- c) The Union Grievance Committee, not exceeding three (3) persons, will be indemnified against any lost wages as a result of attending a meeting with the Company in accordance with Article 7.03.

5.13

The Company will supply bulletin boards in the workplace for the use of the Union in posting information of interest to the members. Access to these bulletin boards will be restricted to Executive Members of the Union.

**ARTICLE 6
STRIKES AND LOCKOUTS**

6.01

The Union and the Company agree that during the life of this agreement there shall be no strike, lockout or work slowdown.

**ARTICLE 7
GRIEVANCE PROCEDURE**

7.01

A Grievance is a complaint relating to the interpretation, application or alleged violation of this Agreement. A grievance may be issued in the form of an individual, group, policy or Company grievance.

7.02

Any Employee, or group of Employees who has a complaint shall first discuss the matter with their Supervisor to try to resolve the matter promptly. The Employee(s) or Employer may request to have a Union Steward present at such meetings.

7.03

Step 1: If after twenty-four (24) hours the complaint is not resolved it then becomes a grievance if the Employee(s) and his/her Union steward present a written grievance to their next level of management after Supervision specifying the provision(s) of the Collective Agreement violated and specifying the remedy requested within six (6) scheduled working days of the date of the occurrence or becoming aware of the grievable situation.

The Supervisor will give his/her decision to the Steward involved in writing within six (6) scheduled working days following the meeting.

Step 2: If the settlement is unsatisfactory the Steward may advance the grievance to the Manager or Human Resources within six (6) scheduled working days from the date of the answer to Step 1.

The Manager or his/her appointee will arrange a meeting with the Union Grievance Committee within ten (10) scheduled working days. The Manager, or appointee, may be accompanied by another member of management, or advisor, at this meeting. The Manager will render his/her decision within ten (10) scheduled working days.

7.04

If settlement of the grievance is unsatisfactory, the grievance may be submitted to arbitration within thirty (30) days from the date of the answer to Step 2.

7.05

Termination grievances will be advanced directly to Step 2.

7.06

Any grievance not submitted or advanced within the time limits specified shall be deemed to be abandoned. Similarly, any grievance not referred to arbitration within the time limit specified will be deemed to be abandoned.

7.07

A grievance that cannot be submitted by an individual or group may be submitted as a policy grievance. Either party of this Agreement may lodge a policy grievance in writing with the other party on any difference between the parties concerning interpretation, application or administration of this Agreement. Policy grievances shall be heard at Step 2, must be submitted within ten (10) scheduled working days of the date of occurrence or becoming aware of the grievable situation and responded to within ten (10) scheduled working days of being presented.

**ARTICLE 8
ARBITRATION**

8.01

Failing resolution of any grievance at Step 2, the grievance may be submitted to arbitration within thirty (30) calendar days of receipt of the written reply in Step 2.

8.02

Grievances will be heard by a single Arbitrator except in the case of a policy grievance relating to the interpretation or application of this Agreement. In such a circumstance, the parties may mutually agree to refer the arbitration to a Board of three (3) persons.

8.03

The hearing will be scheduled within sixty (60) days and the Arbitrator(s) will give a reply within a further thirty (30) days. The parties agree to schedule termination grievances for arbitration at the earliest opportunity. The parties may mutually agree to extend these timelines.

8.04

The Union will pay its cost of Counsel and the Company will pay its costs. The cost of the Arbitrator will be split equally between the Company and the Union. An Arbitrator's decision shall be final and binding on the

parties.

ARTICLE 9 SENIORITY

9.01

Seniority is defined as total length of service in a position covered by the scope of the bargaining unit calculated from the last date of hire into a bargaining unit position at the Fort McMurray locations.

9.02

When a new Employee is hired, it is agreed that he/she shall be on probation for five hundred and four (504) straight time hours worked. During this probationary period the Employee may appeal to his/her Manager but will have no access to the grievance procedure regarding termination, provided the Employee has been notified of any deficiencies in writing and given the opportunity to correct them. After successful completion of the probationary period, the Employee's seniority shall be dated from the day their employment began.

9.03

When two (2) or more Employees are hired on the same day seniority will be determined by using date of birth. The new hire with lowest month will be most senior. Should two or more new hires share the same month then lowest date will be used to determine seniority. Should the new hires have the same month and day for a birth date then the lowest year will be used to determined seniority.

9.04

- (a) Employees appointed to a position outside the bargaining unit may accrue seniority for a period not to exceed one thousand forty (1040) hours in a calendar year subject to the remittance of union dues.
- (b) Employees appointed to a position of Chargehand that have chosen to pursue a position of supervisor may accrue their seniority for an additional five hundred and four (504) hours in the same calendar year subject to the remittance of union dues.
- (c) Following the expiry of the preceding limits, the Employee's name shall be removed from the bargaining unit seniority list.

9.05

An Employee shall lose seniority in the event that:

- a) The Employee is discharged for just cause and not reinstated by the grievance procedure.
- b) The Employee quits or retires.
- c) The Employee fails to return to work after being recalled from layoff.
- d) The Employee has expired all recall rights.
- e) The Employee misses two (2) consecutive shifts without direct notification to the Company unless such notification was not reasonably possible.

ARTICLE 10 LAYOFF AND RECALL

10.01

In the event it is necessary to lay-off any bargaining unit Employee, lay-offs shall be in the reverse order of seniority according to job classification.

10.02

(a) A laid off employee shall retain seniority and recall rights with the employer for six (6) months after the date of lay-off. Recall of Employees shall be in the reverse order of lay-off according to job classification.

(b) If a laid off Employee is called back to work with the Employer within his/her right to recall period there shall be deemed to have been no break in such an Employee's continuous service with the Employer by reason of lay-off.

10.03

The Company will make every reasonable effort to contact laid-off Employees at the address and telephone numbers provided by the Employee. It shall be the responsibility of the Employee to keep the Company informed of their current address and telephone number while laid-off.

10.04

During the first one hundred and twenty (120) days of a lay-off, an Employee has the right to decline a recall to work if it is not within their classification. An Employee who declines a recall cannot later change his/her mind and bump a junior Employee.

Beyond one hundred and twenty (120) days, the Employee cannot decline a recall to work. If an Employee chooses to decline a recall to work beyond one hundred and twenty (120) days, he/she automatically forfeits his/her right to recall and seniority and receives lay-off pay in accordance with Article 10.05.

An employee must work for a minimum of eighteen (18) consecutive work days in order to reset the recall period to six (6) months.

10.05 Lay-off Pay

If an Employee is laid off for a period that exceeds his/her right to recall as provided for in the seniority provisions of this Agreement, he/she shall be entitled to the following grid as per his/her entitlement minus any notice given in lieu of pay:

More than three (3) months but less than two (2) years:	1 weeks pay or notice
Two (2) years but less than four (4) years:	2 weeks pay or notice
Four (4) years but less than six (6) years:	4 weeks pay or notice
Six (6) years but less than eight (8) years:	5 weeks pay or notice
Eight (8) years but less than ten (10) years:	6 weeks pay or notice
Ten (10) years or more:	8 weeks pay or notice

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/her under this Agreement, by

reason of his term of service with the Employer.

10.06

In the event of a permanent shop closure, the Company will provide the Union with six (6) months notice. If the events leading to closure were unforeseen, less notice may be given. Employees laid off in this case shall be entitled to severance pay as set out in Article 10.05 above.

ARTICLE 11 JOB VACANCIES AND PROMOTIONS

11.01

a) Vacant bargaining unit positions or newly created bargaining unit jobs will be posted for eighteen (18) days in order that existing Employees may apply for a promotion. Employees wishing to apply must do so in writing during this posting period. No applications from Employees received later than the posting closing date will be considered. Employees who are going on vacation may submit an intention to bid notice, outlining the jobs they would wish to bid on in their absence.

b) The job posting shall include description of the job scope, qualifications, shift schedule, location and contact for further details on the job.

c) Successful applicant will be posted and successful applicant will be notified by email or phone (voice message) if provided on the application.

11.02

When filling vacancies or promotions, provided the applicants have the qualifications and ability to perform the required work, seniority will be the determining factor. In the event that there are no applicants or that none of the applicants for the position has sufficient qualification and ability to properly perform the work in question, the Company reserves the right to fill the position from any source.

11.03

a) An employee accepting a new position shall be allowed to revert to his former position (crew and start time) during the first three (3) shift cycles of his new position for any reason. If, during this same period, it appears to the Management that such employee does not have the ability to perform the duties of the new position, the Company may, after consultation with the Union, require him to revert to his former position. During this same period an employee shall not be disciplined or discharged for failure to meet requirements of his new position (gross negligence excluded). If an employee returns to their former position, they will not be eligible to apply for another job posting for a period of 6 months if it is their second time reverting back within twelve (12) month period unless mutually agreeable to the Company and the Union.

b) The selected applicant will not be eligible to apply for a further job posting for a period of six (6) months from the end of the 3 cycle trial period (per 11.03 a)) unless he specifically so requests and it is mutually agreed between the Company and the Union or if there is any significant change in job tasks (i.e. shift, start – stop times, work scope).

11.04

Temporary assignment will last no longer than sixty (60) days. An Employee in a temporary position will return to their original position upon completion of the assignment. Temporary assignments lasting longer than sixty (60) days or become permanent positions will be posted for bidding in accordance with article 11.01.

11.05

Training will be distributed, first to employees who require the training to fulfill their duties for their position then by seniority and department where ever possible. Both parties recognize that it is not always practical to train senior employees due to short notice training opportunities and customer commitments.

ARTICLE 12 HOURS OF WORK

12.01 Regular Work Schedules

Eight (8) hour schedules for Employees shall be defined as eight (8) hours per day, forty (40) hours per week, on five (5) days of work per week as determined by the Company.

Ten (10) hour compressed work week schedules shall be defined as ten (10) hours per day, forty (40) hours per week, on four (4) days of work per week as determined by the Company.

Twelve (12) hour compressed work week schedules shall be defined as twelve (12) hours per day and which average forty-two (42) hours per week over the rotation cycle of the schedule.

12.02

Shift schedules, starting and stopping times shall be established by the Company and be posted in a conspicuous place for eighteen (18) calendar days in advance of their effective date.

For a permanent shift change, Employees will be provided a minimum of seven (7) days notice. If seven (7) days notice is not provided for a permanent shift change, the Employee will be paid overtime during the first three (3) days of the current (new) shift schedule for all hours worked.

For a temporary shift change, Employees shall have at least twenty-four (24) hours notice calculated backwards from the start time of the new shift schedule. If twenty-four (24) hours notice is not provided for a temporary shift change, the Employee will be paid overtime during the first (1st) day of the current (new) shift schedule for all hours worked that are outside his/her previous (old) shift's regular hours of work.

ARTICLE 13 OVERTIME AND PREMIUM PAY

13.01 Chit System

To the extent that the Union and the Company are committed to and remain committed to making this system work, The Company will adhere to the following "Chit" system throughout the life of this Agreement.

For the purpose of overtime coverage, the following will apply, provided an Employee can work his next regularly scheduled shift at regular pay:

- (a) Employees who volunteer to work overtime on their scheduled days off will place their names in a chit book at least two (2) working days prior to their scheduled days off. The chit book shall be in duplicate form with a copy forwarded to the Union on a weekly basis.

Priority of chits received:

1. First priority, to qualified Employees lowest on the overtime list who have submitted chits in accordance with (a) above.
2. Second priority, to qualified Employees lowest on the overtime list who have submitted chits less than two (2) working days prior to their scheduled days off.
3. If insufficient chits are received, the low man on the overtime list will be offered the overtime assignment.

Employees who have reported sick during their regular shift cycle, will automatically decrease in priority by one level for overtime opportunities which occur on their next set of days off.

- (b) The Company will make reasonable effort to contact Employees four (4) hours before start of shift.
- (c) All overtime lists will be reset to zero every three (3) months.
- (d) Carryover work is allowed to continue as long as the hours are recorded on the overtime list. Any refused carryover work will be recorded as refused overtime on the overtime list.
- (e) For overtime of short duration that arises at the end of a normal shift, the Employee, already on site, who is lowest on the overtime list, will be asked to work the overtime.
- (f) New Employees must be averaged into the overtime list.
- (g) Any, distribution of overtime, found to be in violation of this article of the collective agreement, will be resolved through mutual agreement between the wronged employee and their supervisor. Such agreement is limited to an overtime assignment of equal duration, at a time acceptable to the employee and not more than forty-five (45) calendar days after the original overtime assignment giving rise to the claim or the date such original assignment was determined to be in violation, whichever is later. This forty-five (45) day period will be extended by the number of shifts an employee is absent from regular duties on an approved leave of four (4) or more consecutive days.

Such overtime assignment will not result in another employee being denied overtime.

Both parties in the interest of resolving any issues that may emerge will review this agreement quarterly.

The above chit system is for overtime coverage by Employee(s) on scheduled days off.

13.02

If an Employee is required to work in excess of the hours of a regular work schedule or compressed work week schedule as outlined in Article 12, the Employee will be paid two times (2x) the Employee's regular rate for the additional hours worked and two times (2x) the Employee's regular rate on statutory holidays.

Employees working a twelve (12) hour compressed work week schedule as defined in Article 12.01, will be paid two and three quarters percent (2.75%) of current classification and hourly rate as per Appendix "A" for all scheduled hours worked on the compressed work week schedule in lieu of any overtime that is worked as part of the regular shift schedule. This premium does not apply to overtime hours.

13.03

Employees may bank time equivalent to One hundred and forty-four (144) for 6X6 or 12X12 sets or one hundred sixty eight (168) for 7X7 or 14x14 sets straight time maximum per year. All overtime thereafter shall be paid

at the appropriate rate to said Employee.

a) Banked time will be used to minimize layoffs.

b) All unused banked time must be paid out at the end of the calendar year.

c) The utilization of banked time will be determined by the Company subject to its operating needs.

d) Selection of Employees to use banked time off shall first be on a voluntary basis and secondly according to seniority.

e) Employee's are allowed to bank, after they have completed their set, 8 hours straight time for 12x12 or 14x14 sets or 4 hours straight time for 6x6 or 7x7 sets.

In certain circumstances, and following discussions with the Union, the Company may allow banked time to exceed the aforementioned maximum.

13.04

Employees may bank overtime equivalent to one hundred and forty-four (144) hours straight time maximum per year. All overtime worked thereafter shall be paid at the appropriate rate to said Employee. Banked overtime will be used to minimize layoffs. All unused banked overtime must be paid out at the end of the calendar year. The utilization of banked time will be determined by the Company, subject to its operating needs. Selection of Employees to use banked time off shall first be on a voluntary basis and secondly according to seniority. In certain circumstances, and following discussions with the Union, the Company may allow banked time to exceed the aforementioned maximum.

13.05

Banked hours may be withdrawn by an Employee in whole or in part at their regular rate at time of withdrawal.

13.06

An Employee who has returned to their residence and who is called back to work before the start of their next regular shift will receive the greater of:

a) The applicable overtime rate for all hours worked, or,

b) A minimum of four (4) hours pay computed at the applicable overtime rate, provided the work is not contiguous with an Employees regular shift (ie. If an Employee is called out two (2) hours before his/her

regular shift start, he/she would get paid for the applicable overtime hours worked before the start of his shift). Employees shall not be required to stay for the full four (4) hours if the call-out is complete.

c) Employees designated for standby shall receive twenty-five dollars (\$25.00) per day.

13.07

Each employee is entitled to eight (8) consecutive hours rest between shifts. Employees are not required to resume work until eight (8) consecutive hours between shifts have elapsed. Time off for rest breaks that overlap with the start of the Employee's next regularly scheduled shift will be paid at straight time rates to a maximum of six (6) hours. Employees may return to work on their own accord provided eight (8) cumulative hours have elapsed between shifts.

ARTICLE 14 SALARIES

14.01

All Employees will be paid wages in accordance with the classifications as set out in Appendix "A" of this Agreement.

a) Leadhand Premium: 5% over and above the Journey Person rate.

Leadhands remain within the scope of the Collective Agreement. Leadhands will be assigned as required. Leadhands will direct and assign tasks with the job that is set forth by the Supervisor and/or Management while performing their own assigned tasks. Leadhands shall report to a Supervisor or Chargehand, and shall not have the authority to discipline Employees.

b) Chargehand Premium: 10% over and above Journey Person rate.

It is agreed between the Company and the Union that the following rules will govern the assignments to, and responsibilities of, Chargehands and Leadhands.

- Chargehands are excluded from the Collective Agreement and if assigned to the position from a bargaining unit classification, are subject to the provisions of Article 9.04.
- The Chargehand premium contained will only apply to the position of Chargehand when the assignment is given to a bargaining unit Employee covered by the Collective Agreement.
- Chargehands shall only be appointed under one or more of the following circumstances: to replace a Supervisor absent due to vacation, illness, leave of absence, temporary promotion or training or; when assigned to a large job requiring the full authority of management. Chargehands will possess the full authority of management, including the right to discipline. Chargehands will not perform bargaining unit work while acting as a Chargehand.

All premiums do not attract overtime.

c) Summer Students shall not accumulate seniority. They shall also be exempt for coverage under the Article 21 and 22 of this Agreement.

14.02

Shift differentials will be paid as a premium in addition to regular and overtime rates as follows:

Graveyard Shift:

- May 1, 2010 – one dollar and seventy-five cents (\$1.75)
- May 1, 2011 – one dollar and seventy-five cents (\$1.75)
- May 1, 2012 – two dollars and twenty-five cents (\$2.25)
- May 1, 2013 – two dollars and fifty cents (\$2.50)
- May 1, 2014 – two dollars and seventy-five cents (\$2.75)

Afternoon Shift: \$.55 per hour.

14.03

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 three dollars (\$3.00) 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.

14.04

Employees assigned field work, away from the Company's premises, will be paid a premium per hour worked for all time reported on the field work time card. Employees will not receive the initial travel time to the first customer site and last travel time returning to Company's premises. If employee is required to travel to another customer site during the shift, they will be paid field premium for travel time between customer sites during this shift.

- May 1, 2010 – three dollars and twenty-five cents (\$3.25)
- May 1, 2011 – three dollars and twenty-five cents (\$3.25)
- May 1, 2012 – three dollars and twenty-five cents (\$3.25)
- May 1, 2013 – three dollars and fifty cents (\$3.50)
- May 1, 2014 – three dollars and seventy-five cents (\$3.75)

Posted field positions as per Article 11:

- Will be paid field premium for their full shift even if they work on Company's premises during the same shift that they have been working or worked in the field.
- Will not be paid field premiums if they are assigned to work the full shift on Company's premises.

Posted shop (non-field) positions as per Article 11:

- Will be paid field premium for assigned field work, away from the Company's premises only. All work on Company's premises will not be paid field premium even if employee has worked field in the same shift.

For employees who are required to use the customer's transportation from Fort McMurray, the field premium is four dollars and fifty cents (\$4.50).

14.05

a) Employees permanently assigned to Company locations outside Fort McMurray city limits will be paid a travel allowance of two-hundred and fifty dollars (\$250.00) per month. This allowance becomes payable effective the first of the month following date of employment and will not be paid if an Employee uses Company supplied transportation to travel to and from the work site.

b) Employees temporarily assigned to Company locations outside of Fort McMurray city limits will be paid a travel allowance of fifteen dollars (\$15.00) per shift.

Travel allowance will not be paid if an Employee uses Company supplied transportation to travel to and from the work site.

14.06

Employees will be paid a regional wage adjustment on a per month basis payable as follows:

Employees provided Company accommodations:

May 1, 2010 - three hundred and fifty dollars (\$350.00)

Employees residing in Fort McMurray:

May 1, 2010 – five hundred dollars (\$500.00)

May 1, 2011 – six hundred dollars (\$600.00)

May 1, 2012 – seven hundred dollars (\$700.00)

May 1, 2013 – eight hundred and fifty dollars (\$850.00)

May 1, 2014 – one thousand dollars (\$1,000.00)

The regional wage adjustment for new Employees becomes payable effective the first of the month following date of employment.

ARTICLE 15 TOOLS

15.01

All authorized journeyman mechanics and apprentices shall receive \$500 per calendar year as a tool allowance. All authorized journeymen electricians and apprentices shall receive \$350.00 per calendar year as a tool allowance. All authorized journeyman welders and apprentices shall receive \$200 per calendar year, as a tool allowance.

The Company will prepare a list of required tools for each trade. The Company will consult with the Union in preparing the tool list.

15.02

The allowances will be paid for eligible and active employees on December 31st and prorated based on the number of full months employed with SMS Equipment, Fort McMurray locations.

15.03

To be eligible to receive the tool allowance, Employees must first have the tools adequate to meet the minimum tool list requirement as provided by the Company for their job classification. Furthermore, Employees are required to submit a detailed tool list at the beginning of each year in order to be eligible to receive a tool allowance.

15.04

The above tool allowance is to be used to help purchase, replace and maintain a personal tool supply sufficient for job requirements when used in conjunction with those tools and supplies owned and provided by SMS Equipment. The Company will not replace broken, lost or stolen tools.

**ARTICLE 16
APPRENTICESHIP PROGRAM**

16.01

Apprentices shall be paid in accordance with the appropriate regulations of the Alberta Apprenticeship Act including the required tuition and book costs. Selection shall be based on Alberta Apprenticeship Act qualifications and SMS Apprentice Selection Policy. If two or more applicants are qualified, the determining factor shall be seniority.

16.02

All apprentices shall acquire and maintain the basic hand tools required to carry out their apprenticeship training.

16.03

Apprentices required to maintain a second residence while attending school not offered in his/her place of normal residence and authorized by the Company, will receive a fifty dollar (\$50.00) per weekday allowance to assist in defraying the travel and living out costs, providing the apprentice attends school on the days for which the allowance is claimed. Proof of daily attendance from the institution will be submitted, if so requested by the Company, in order to be eligible for receiving payment.

**ARTICLE 17
PAID HOLIDAYS**

17.01

The following are recognized holidays:

New Years Day	Victoria Day	Thanksgiving Day
Family Day	Canada Day	Remembrance Day
Good Friday	August Civic Holiday	Christmas Day
Easter Monday	Labour Day	Boxing Day

17.02

An Employee is not entitled to statutory holiday pay if the Employee:

- a) does not work on a recognized holiday when required or scheduled to do so, or;
- b) is absent without the consent of the Company on the Employee's last regular work day preceding, or the Employee's first regular work day following a recognized holiday.

17.03

For Employees working a regular or compressed work schedule, if the recognized statutory holiday falls on a scheduled day off, that day off may be provided and Employees will receive eight (8) hours statutory

holiday pay, payable at straight time. When the holiday falls on a scheduled work day, Employees may be provided that day off and will receive statutory holiday pay payable for their scheduled hours at straight time.

17.04

Employees will receive a day off work on statutory holidays, or a day off in lieu may be provided before or after the recognized holiday, unless required by the Company to work. Employees required to work will be paid two times (2x) the employees regular rate.

**ARTICLE 18
VACATIONS**

18.01

<u>Years Of Continuous Service:</u>	<u>Vac. Time:</u>	<u>Vac. Pay:</u>	<u>Vac. Pay On Vac. Pay:</u>
Less than one year	8 hours per month (max 80 hours)	4%	4.16%*
1 year but less than 2 years	80 hours	4%	4.16%*
2 years but less than 7 years	120 hours	6%	6.36%*
7 years but less than 15 years	160 hours	8%	8.64%*
15 years and over	200 hours	10%	11%*

*Vacation pay will be paid to all Employees on a current basis. In order to do so, the above asterisk figures are used. These noted percentages represent vacation pay on vacation pay calculations and are not to be considered base vacation pay entitlements as are outlined under the vacation pay column.

18.02 Vacation Pay on Termination

In the event of termination of service with the Employer, by virtue of paying all Employees' vacation pay on a current basis, the Employee shall have received their entire vacation pay owing upon the receipt of their final pay and statement.

18.03

Upon written request of an Employee, the Company shall make an optional second deposit into a separate account of an Employee specified amount. This option will provide Employees full investment and financial control over their money, while at the same time helping them plan for vacation time taken.

18.04

Employees will submit their preferences for vacation in accordance with the following rules:

- A cycle of days off shall take precedence over "a day here and a day there."
- Preference for vacation dates shall be in order of seniority. Each employee receives only one preference until everyone on the crew has selected one set of vacation dates. Once everyone has selected one set of vacation dates, a second preference for vacation dates may be selected and so on.
- Available vacation periods will not be "reserved" or "held" beyond December 31.

- Employees may not have the opportunity to take vacation time during the summer months (May 15 to September 15) in two (2) consecutive years, unless all other vacation requests have been accommodated.

For clarification, employees who do not practice the above noted rules when requesting their preference for vacation time will forfeit their opportunity for preference.

18.05

The vacation schedule will be finalized, approved and posted by January 31 of the vacation year and every month thereafter. Requests for vacation time submitted after January 1 shall be approved or denied on a first come, first served basis, and based on workforce requirements and availability of vacation time. Such approval or denial is to be given within fifteen (15) days of the request being received.

18.06

Vacations-Requirement to Take

Employees must take a minimum of two (2) weeks of their allotted vacation time during the year in which it was entitled. There is no carry-over provision for vacation time.

18.07

Vacation Entitlement

Eligibility for vacations shall be maintained, but not accumulated during absence due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks.

18.08

If a statutory holiday(s) falls during the period of an Employees' vacation the Employee will be permitted to take one (1) extra day off and receive statutory holiday pay in accordance with Article 17.

ARTICLE 19 LEAVE OF ABSENCE

19.01 Leave of Absence Due to Injury or Illness

- (a) When an Employee suffers an injury, whether on the job or not, or suffers an illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can resume work. In the event of a dispute the Employer reserves the right to obtain independent medical assessments.
- (b) When any Employee suffers an injury or illness which requires his absence, he shall report this fact to the Employer as soon as possible, prior to his actual starting time, so that adequate replacement may be found if necessary
- (c) All benefit coverage shall be maintained for all Employee's on Weekly Indemnity, Long Term Disability or W.C.B. for a period not exceeding twelve (12) months.
- (d) Refer to Letter of Understanding #1
Re: Article 19.01 Leave of Absence Due to Injury or Illness

19.02 Leave of Absence - Application For

If an Employee desires a leave of absence for reasons other than referred to in this section, he must obtain

permission, in writing, for the same from the Employer. A copy shall be supplied to the Union.

19.03 Leave of Absence - Other Employment Disallowed

In any instance where an Employee accepts other employment without consent of Management, while on leave of absence for any reason, his employment shall be terminated, subject to proper proof of same.

19.04 Bereavement

If an Employee suffers a death in the immediate family, he/she shall be granted a compassionate leave of absence with full pay for up to three (3) days, and four (4) days if travel greater than three hundred (300) kilometers is required and provided that such leave is taken within a seven (7) consecutive day period commencing with the date of death. Immediate family includes:

- spouse (including common-law or same-sex)
- parents (including step-parents and/or in-laws)
- brother, sister (including in-laws)
- children (including step)
- grandparents (including step grandparents and/or in-laws)
- grandchildren (including step grandchildren)

This article does not apply if an Employee is already on different leave of absence or vacation. The Employer may grant additional leave without pay to the bereaved Employee.

19.05 Jury Duty

(a) All time lost by an Employee due to necessary attendance on jury duty or appearance in court as a crown witness, shall be paid for by the Employer at the rate of pay applicable to said Employee. Employees must notify their immediate supervisor of such absences as outlined above as soon as the appearance date is known.

(b) All jury duty pay received by an Employee for the days he received pay from the Company shall be paid over to the Company. Employees will be expected to be available for work on the first scheduled workday immediately following the completion of their jury duty.

ARTICLE 20 SAFETY AND HEALTH

20.01 Injury Report

An Employee suffering injury while in the employ of the Employer must report to the first aid department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.

20.02

Branch safety meetings will be held a minimum of once per month on Company time. The Safety and Health Committee will consist of an odd number of members chosen from bargaining unit Employees and Management. A copy of the minutes taken from each meeting shall be posted for viewing by all Employees.

20.03

The Company will provide adequate and sufficient safety supplies and clothing for Employees. Safety clothing may include: rubber clothes, welder's gloves, aprons, goggles, helmets, coveralls, hard hats for job

use where required, hearing protection and safety glasses where required.

20.04 Safety Allowance

- (a) The Company shall reimburse Employees for personal protective equipment (PPE) up to three hundred and twenty-five (\$325) per calendar year as a PPE allowance. Any unused portion of the PPE allowance may be carried for one year. PPE such as prescription safety glasses, CSA work boots, custom hearing protection, extra winter coveralls, etc are eligible. All PPE must meet SMS Equipment safety requirements.
- (b) New Employees with less than 12 months' service, who have completed their probationary period, shall be eligible for a portion of the above allowance pro-rated to the number of full months employed with SMS Equipment, Fort McMurray locations.
- (c) Original receipts for PPE purchases for the calendar year ending December 31st must be submitted to the Company no later than March 30th of the following year. Any Safety Allowance claims submitted after this date will not be accepted by the Company and will not be reimbursed to the employee.
- (d) The original receipts will be returned to the Employee before the end of the day submitted.

20.05

The parties to this Agreement shall at all times comply with the accident prevention regulations of the Occupational Health and Safety Act, as well as all safety regulations specified by the Company.

20.06

The Company will provide and maintain lockers, lunchrooms and reasonable sanitary washing facilities. Employees will be allowed appropriate paid wash up time before meal breaks and at the end of the shift.

ARTICLE 21 HEALTH AND WELFARE PLAN

21.01

The Company shall provide and maintain the following coverage for their Employees subject to the terms of the insurance contract between the Company and Insurance Carrier.

21.02

The Parties recognize that this coverage may contain restrictions, exceptions, qualifications and other terms affecting entitlement to benefits.

21.03

The Company will fund benefits at the following levels:

Medical coverage:

- Equivalent to Medical Services Plan of Alberta
- Extended coverage: includes paramedical, drug, travel and hospital expenses to preset maximums and restrictions

Life Insurance:

Two Times Annual Earnings

Accidental Death and Dismemberment:

Matches Life Coverage

Weekly Indemnity:	EI maximum*
Basic Dental	100%
Dental (\$2,500 per calendar year for combined Basic and Major):	
• Basic	100%
• Major (Crowns, Bridges, Dentures)	80%
• Orthodontia	50% (\$2,500 lifetime Maximum.)
Vision Care	one hundred and fifty (\$150) every twenty-four (24) months

*Payable 1st day of accident and 8th day of disability due to sickness to a maximum of twenty-six (26) weeks.

21.04 Eligibility

Employees will be eligible for coverage as outlined above effective after completion of two (2) months of employment. Current Employees on recall shall become eligible on the first of the month following re-employment.

21.05 Insured Benefit Coverage On Lay-off

An Employee who is laid off will be eligible for continued Health & Welfare Benefit Coverage (i.e. basic medical, extended & 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 or self-employment and has paid the employee portion of the premiums for extended health and dental.

21.06 Long Term Disability

Long Term Disability will be paid by the Employee. This item is tax free when paid by the Employee.

ARTICLE 22 RETIREMENT PLAN

22.01

The Company shall make RRSP contributions per hour payable as a premium on all hours worked into an Employee's self-directed RRSP as follows:

- May 1, 2010 – three dollars (\$3.00)
- May 1, 2011 – three dollars and thirty cents (\$3.30)
- May 1, 2012 – three dollar and sixty cents (\$3.60)
- May 1, 2013 – four dollars (\$4.00)
- May 1, 2014 – four dollars and forty cents (\$4.40)

**ARTICLE 23
DURATION OF AGREEMENT**

23.01

Except as otherwise specified, the Agreement shall be effective as of **May 1st, 2010** and shall remain for a period ending **April 30th, 2015** and from year to year thereafter, providing that either party may not less than sixty days (60) days nor more than one hundred and twenty (120) days prior to the termination date hereof, give notice in writing to the other party of its intentions to terminate this Agreement or to negotiate a revision thereof.

Signed this **9th** day of **March 2011**

SMS EQUIPMENT INC.

COMMUNICATIONS, ENERGY &
PAPERWORKERS UNION, LOCAL 707

APPENDIX "A"

Classification	Hourly Rate Effective 1-May-10	Hourly Rate Effective 1-May-11	Hourly Rate* Effective 1-May-12	Hourly Rate* Effective 1-May-13	Hourly Rate* Effective 1-May-14
	Note: The following wage rates for the years 2011, 2012, 2013 & 2014 are based on a minimum 2.5% increase. These rates may be subject to further increases as noted in (*) below.				
	2.5%	2.5%	2.5%	2.5%	2.5%
Journey Trades Person					
Auto body Technician/Painter					
Automotive Mechanic					
Boom Truck Operator					
Carpenter					
Crane Operator					
Electrician					
Heavy Duty Mechanic					
Machinist					
Millwright					
Welder	\$46.85	\$48.02	\$49.22	\$50.45	\$51.71
Journey Parts Person	\$42.37	\$43.43	\$44.52	\$45.63	\$46.77
Track Press Tech +2 year	\$40.60	\$41.62	\$42.66	\$43.72	\$44.82
Track Press Tech 1 -2 year	\$36.45	\$37.36	\$38.29	\$39.25	\$40.23
Track Press Tech >1 year	\$32.29	\$33.09	\$33.92	\$34.77	\$35.64
Building Maintenance	\$37.41	\$38.35	\$39.31	\$40.29	\$41.30
Painter	\$31.32	\$32.10	\$32.90	\$33.73	\$34.57
Truck Driver	\$28.71	\$29.43	\$30.17	\$30.92	\$31.70
Warehouse Person	\$28.16	\$28.86	\$29.58	\$30.32	\$31.08
Tool Crib Worker	\$28.16	\$28.86	\$29.58	\$30.32	\$31.08
Labourer	\$24.66	\$25.28	\$25.91	\$26.56	\$27.22
<p>* On May 1 in each of the years 2011, 2012, 2013, and 2014, the base wages will be increased by a minimum of two and one half percent (2.5%). Additionally, if the average increase of the Suncor and Syncrude settlements combined for the Fort McMurray area in each year exceeds the 2.5% outlined above, all the base wages shall be increased to the average.</p>					
Apprentice Scale					
	Auto Mechanics, Carpenters, Machinist & Electricians	HDM (Off Road) & Welders & Partspersons & Crane			
Apprentice 4	90%				
Apprentice 3	80%	90%			
Apprentice 2	70%	80%			
Apprentice 1	60%	70%			

LETTER OF UNDERSTANDING #1

Re: Article 19.01 Leave of Absence Due to Injury or Illness

BETWEEN

SMS EQUIPMENT INC. "the COMPANY"

AND

CEP LOCAL 707 "the UNION"

On a trial basis commencing January 1st, 2012, Article 19.01 will be amended by this Letter of Understanding.

The Union and the Company agree to amend Article 19.01(d) and add 19.01(e), (f), and (g):

- (d) Employees shall be eligible for forty-eight (48) hours of paid sick leave in each calendar year. Employees are not required to submit medical proof of illness unless requested by the Company. Sick leave will not be considered as time worked for any other purposes. Sick days will be paid out when employee is sick, a time card must be submitted.
- (e) New employees will receive a prorated amount of sick leave calculated from the first of the month following completion of the probationary period.
- (f) Unused sick day leave benefits will be paid out at the end of the calendar year to active employees only.
- (g) Employees who quit or otherwise terminate employment will pay a prorated amount of sick leave back to the Company based on length of employment per calendar year. These funds will be deducted from the employee's last pay.

If the absenteeism rate for sick time does not increase by an average of three (3) hours per employee in 2012 as compared to 2011 Branch statistics, the parties will extend this Letter of Understanding for the duration of the Collective Agreement. If the absenteeism does increase by an average of three (3) hours per employee, the parties will revert to the original LOU dated November 15, 2005 as follows.

- (d) Employees shall be eligible for forty-eight (48) hours of paid sick leave in each calendar year. Employees are not required to submit medical proof of illness unless requested by the Company. Sick leave will not be considered as time worked for any other purposes.
- (e) Annually, on the first pay day in January, the Company will pay each employee forty eight (48) hours of sick leave funds at his/her regular straight time rate. Unused sick leave funds are retained by the employee for his/her personal use.
- (f) Employees who quit or otherwise terminate employment will pay a prorated amount of sick leave funds back to the Company. These funds will be deducted from the employee's last pay cheque.
- (g) New employees will receive a prorated amount of sick leave funds calculated from the first of the month following completion of the probationary period. For these new employees, the funds will be calculated and paid on the first pay day following either April 1, July 1, and October 1.

Dated this 9th day of **March 2011**

FOR THE COMPANY:

FOR THE UNION:

