

THIS AGREEMENT effective March 1st, 2015, to February 28th, 2018.

Made and entered into by and between:

ALLIED SHIPBUILDERS LTD. (hereinafter referred to as the Company)
PARTY OF THE FIRST PART

AND

MARINE WORKERS' & BOILERMAKERS' INDUSTRIAL UNION, LOCAL NO. 1
(hereinafter referred to as the Union)
PARTY OF THE SECOND PART

WHEREAS the parties hereto have agreed to enter into a Collective Agreement upon the terms and conditions hereinafter set forth with respect to employees employed in the job classifications listed in Schedule "A" hereto.

AND WHEREAS the Company agrees to recognize the Union as the Bargaining Representative of the said employees subject to the conditions hereinafter contained.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the parties agree as follows:

ARTICLE I. COLLECTIVE BARGAINING AND UNION STATUS

Section 1: Union Representation

In all relations between the parties hereto under this Agreement, the Union, so long as it remains the certified Bargaining Representative of the said employees, shall be represented by its Bargaining Representatives.

Section 2: (a) Union Dues & Hiring Procedure

The Company agrees, that as a condition of employment, all employees will pay dues to the Union in the amount set for the class of work in which said employees are engaged. The Company is to retain the right to hire employees, providing the Union is asked to fill any vacancy before a non-Union person is hired. Similarly, in layoffs, no Union person will be released while a non-Union person is retained. The Union agrees that in the interpretation of the previous sentence, discretion will be used to the end that there will be no interference with efficient operation.

(b) Application for Union Membership

All new employees must make application to join the Union within thirty (30) days of commencing employment with the Company.

(c) Compulsory Union Dues Payroll Deductions

The Company agrees to a compulsory check-off covering Union dues and assessments to be deducted on the first pay period of each month.

ARTICLE I. **COLLECTIVE BARGAINING AND UNION STATUS** (continued)

Section 3: **Shop Steward**

The Company shall recognize the Shop Steward appointed by the Union. The Shop Steward will be permitted to take grievances or disputes to a Company Representative during working hours and will perform his duties as efficiently as possible.

Section 4:

(a) **Publication & Distribution of this Agreement**

The Company agrees to advise all present and future employees, its Supervisors and Foremen of the contents of this Agreement.

(b) **Applications for Union Membership/Reinstatement**

No employee shall be subjected to any penalties against his application for membership or reinstatement, except as may be provided for in the Constitution and By-Laws of the Union.

(c) **Watchmen & Guards**

It is agreed that in the event of an industrial dispute or other disturbances taking place on the Company's property, the Watchmen and Guards will remain at their posts (or will be hired) in order to protect the plant and continue unhindered with their usual duties.

(d) **Maintenance Men**

It is agreed that in the event of an industrial dispute, such Maintenance Personnel as are required to prevent deterioration of the machinery and maintain the security of customer property will be allowed access to the plant in order to carry out these duties.

Section 5: **Discharge**

No employee will be discharged except for just cause.

ARTICLE II. **MANAGEMENT STATUS**

Section 1: **Introduction - Company Management**

The entire Management of the Company and the direction of the working forces are vested exclusively in the Company, and the Union shall not in any way interfere with these rights.

Section 2: **Subcontractors - Union Conditions**

The Company agrees that on all contract and subcontract work undertaken in the yard by the Company, Union conditions as outlined in the Agreement shall prevail

ARTICLE III. HOURS OF WORK

Section 1: Time Clocks, Whistles, Time Sheets

All employees must punch in and out of the yard on the Time Clock Number assigned to them. There shall be a warning whistle five (5) minutes before quitting time for all shifts. After the warning whistle, employees may make out Time Sheets and put away tradesmen's tools.

Notwithstanding the 3-month trial period, it is expressly understood that the standard work day shall consist of seven and three-quarters (7¾) hours and the standard work week shall consist of thirty-eight and three-quarters (38¾) hours, Monday to Friday, inclusive. Either party may elect to cancel the trial hours of work and return to the previous schedule.

Section 2: Standard Work Days

Effective February 4, 1991, the day shift shall start at 0700 hours.

The Company is prepared to negotiate and implement alternative work schedules that would provide more "long weekends". Such negotiations may commence at any time if there is sufficient employee interest.

The Company and the Union agree that the standard work day shall consist of seven and three-quarters (7¾) hours and the standard work week shall consist of thirty-eight and three-quarters (38¾) hours, Monday to Friday, inclusive.

The Company shall not make any changes in the standard work week, number of hours worked and lunch periods except by mutual agreement between the parties to this Agreement.

It is agreed and understood that the starting time and/or the terminating of existing shifts may be varied by written mutual consent of the parties to this Agreement.

Start	7:00
Coffee Break	9:15 – 9.30
Lunch	12:00 – 12.30
Coffee Break	----N/A----
Quitting Time Warning Whistle	3:00
End of Shift	3:05

Summary

Lunch Break	½ Hour
Coffee Break (Paid Time – Not Worked)	15 Minutes
Duration: Start to End of Shift	8 Hrs 5 Mins.
Hours Paid to Employee	7 ¾ Hours

Section 3: Employment Minimums

Every employee upon hiring shall be guaranteed five (5) shifts on new construction or three (3) shifts on repair work unless he is discharged for just cause.

Employees working past end of day shift are entitled to a ten (10) minute coffee break

Section 4: Second Shift

If a second shift is employed, the hours of work shall be eight (8) hours per shift for which a one (1) hour shift bonus will be paid.

Second shift workers shall be deemed to have earned the second shift bonus once they have completed the first half of their shift.

ARTICLE III. HOURS OF WORK (continued)**Section 4: Second Shift** (continued)

Second shift workers shall be deemed to have earned the afternoon coffee break provided they work 6½ straight time hours in the shift.

Section 5: Third Shift

If a third shift is employed, the hours of work shall be seven (7) hours per shift for which nine (9) hours will be paid.

Section 6: Shift Interval

There shall be an interval of at least nine (9) hours between stopping time and starting time, and no employee shall be required to resume work without such interval, otherwise overtime rates shall prevail.

Section 7: Payment on Termination

A laid off employee shall receive a cheque in payment of all hours earned prior to the day of layoff. A final adjustment cheque shall be prepared within two (2) working days of the day of layoff. Employees who are laid off at the end of an afternoon or graveyard shift or who have been working overtime on the day of layoff shall be able to obtain yard clearance (on return of Company supplied clothing, tools, equipment, etc.) from their shift Charge Hand or Supervisor.

Section 8: New Start Employee

Every employee shall be paid not less than four (4) hours if hired after starting time.

ARTICLE IV. PREMIUM PAY**Section 1: Change of Shift**

When a second and third shift for any employee does not last three (3) shifts or more, the time worked for these shifts will be paid at the usual overtime rates. The Company may reduce the three (3) shift requirements to two (2) shifts if a four (4) hour shift change bonus is paid or, if the employee is permitted to go home at the shift lunch break on the second day and is paid in full for the balance of the shift.

Section 2: Confined Space, Dirty Work

(a) Time and one-quarter will be paid when employees work for one (1) hour or more in an enclosed space, the dimensions of which restrain the employee to working in a kneeling position or lower, and preclude him from periodically standing. Unique situations will be discussed between the Company and the Union and evaluated on their merits before the job starts.

(b) Time and one-quarter will be allowed employees working in confined places when closing plates are on and no means of ventilation provided, or for dirty work. The Superintendent, Foreman and Shop Stewards to decide if work in question is to be so classed.

Section 3: Welding Galvanized Materials

Time and one-quarter will be allowed employees affected by the burning or welding on galvanized pipe or other galvanized work when efficient ventilation is not provided. The Superintendent, Foreman and Shop Steward to decide if the work in question is to be so classed.

Section 4: Welding Painted Material

Any welder being asked to weld over dry paint or any persons being asked to burn off dry paint, shall be paid time and one-quarter if, in the opinion of the Foreman and Shop Steward, same is justified.

ARTICLE IV. PREMIUM PAY (continued)**Section 5: Ventilation**

Time and one-quarter will be paid to men while working in compartments full of gases and fumes, where it is impossible to provide efficient ventilation to make air conditions come up to the standard as set by the WCB of B.C. Where ventilation is practical, no extra time shall be paid and men shall not be requested to work in such places until ventilation is provided.

Management and Union Stewards shall thoroughly review present ventilation equipment and practices and make every possible effort to provide optimum ventilation at all times.

Section 6: Exceptionally Dirty Work

Time and one-half will be paid to men engaged in the cleaning of tanks that have contained "bunker" or other heavy fuel oil when actually working inside the tank. Time and one-half will be paid to men working in other exceptionally dirty places, only when agreed to by top Management and the Union.

Section 7: Air-Arc in Confined Spaces

Time and one-quarter shall be paid for all air arc work in confined places.

Section 8: Premium Pay Claims

Employees shall include their claim for authorized premium pay in the appropriate space on their "*Daily Time Sheet Reports*". Payroll staff shall ensure all claims are recorded.

Section 9: Painters

Painters engaged in spray painting shall be allowed sufficient time to demobilize and wash prior to the end of each shift. If sufficient time to clean, wash and change is not available prior to the end of shift, the employee shall receive one-quarter (¼) hour at the overtime rate.

ARTICLE V. FIELD WORK AND TRAVELING TIME

The Company and the Unions agree that Article V may be altered for specific projects, where the room and board provision applies, during the life of the Agreement without affecting the integrity of the Agreement.

* Sections 1, 2 and 4 are waived for the term of this contract in a joint effort to promote work opportunities outside the shipyard.

***Section 1: Travel Time to New Westminster**

Employees required to report for work at New Westminster or on the Fraser River below New Westminster will be paid one (1) hour each day to cover traveling and transportation. If employees scheduled for work away from the yard are instructed to report at the Company's plant for materials or tools, traveling will then be done on the Company's time and expense.

ARTICLE V. FIELD WORK AND TRAVELING TIME (continued)***Section 2: Field Work Premium**

(a) Employees required to work at outside points other than above shall be provided with transportation, room and board, while away. Traveling shall be paid at the rate of a day's pay for each day lost traveling and the field rate of sixteen percent (16%) above the yard rate shall be paid while men are working on the job.

(b) When employees are required to be absent from home on marine work and the room and board provisions apply, the employees will be paid for such work at a rate of sixteen percent (16%) above the basic yard rate. It is mutually agreed and understood that where room and board applies, all marine work performed within a one hundred (100) mile radius of Vancouver City Hall will be paid at a rate of ten percent (10%) above the basic yard rate.

Section 3: Field Work**(a) Adequate Notice**

Men to be given ample notice of departure from town—a minimum of twenty-four (24) hours.

(b) Weekend Travel

No traveling on weekends, if at all possible.

(c) Travel Expense

Sufficient money for anticipated expenses shall be given to each employee on signing a receipt for same. Employees must account for their expenses.

(d) First Aid

Adequate medical services or first aid to be available at all places of work in accordance with Workers' Compensation Board of British Columbia Regulations.

(e) Travel Pay

All travel time shall be paid at straight time rates.

(f) Field Project Meetings

Prior to starting a field project, meetings will be held with the people involved to discuss the nature of the project, anticipated duration, hours of work, room and board arrangements, medical/first aid arrangements, local transportation, etc. Shop Stewards and a Union Representative will be invited to attend these meetings.

(g) Turn-A-Round

When employees are required to be absent from home on marine work and the room and board provisions apply, upon request, the employee will be entitled to return to his home after sixty (60) days worked. The Employer will pay the normal cost of transportation and the employee's travel time.

***Section 4: Travel Time - Burrard Inlet**

Employees instructed to report to jobs on Burrard Inlet between bridges and away from the confines of the Company plant, and traveling to such jobs on their own time, shall be paid one-half (½) hour traveling on each of the first day and last day of the job. They shall work yard hours and rates on intervening days.

ARTICLE VI. OVERTIME**Section 1: Introduction**

It is understood by both parties that overtime work is not the desire of either party, but is a condition peculiar to the ship repairing business, and the Union agrees to cooperate to provide adequate and competent help to carry out work which is necessary to be done in overtime.

Section 2: Non-Scheduled Call-Out

All employees called in to undertake work, (other than scheduled docking or undocking) after the end of a normal shift or on Saturday, Sunday or Statutory Holidays, shall be paid double time rates with a guarantee of four (4) hours work. If an employee chooses to work less than four (4) hours, he shall be paid for time worked only.

It is mutually agreed and understood that the requirement to remain on the job in order to receive the guarantee of four (4) hours pay at the overtime rate will not apply in the case of a non-scheduled call-out.

Section 3: Overtime Restriction & Distribution

(a) The Union agrees that no restrictions or sanctions will be placed on overtime work as a result of any disagreement under the terms of this Agreement until after all efforts to settle such a disagreement under Step 2 of the Grievance Procedure have been completed. The Company agrees to cooperate with the Union in its policy of restricting overtime of the individual Union Member. It is understood that the Union's limit is not arbitrary and such limit will not be used to impede work.

(b) When overtime work is required, the Employer will distribute overtime work in a fair manner, bearing in mind the nature of the shipbuilding and repair business, operational requirements, employee skills and productivity.

(c) No employee shall be permitted to work more than sixteen (16) continuous hours, except in cases of emergency or critically scheduled projects. The Union is to be informed of critically scheduled projects.

(d) The Company agrees that in cases where there is a reduction in the workforce and overtime work becomes necessary, then the employee affected by a layoff will be given the first opportunity to perform the work in his classification.

Section 4: Time Worked in Excess of Standard Hours

Time worked in excess of standard hours of work shall be considered as overtime and all overtime rates of pay shall be paid at double time rates. Every effort will be made to eliminate overtime when men are idle.

Section 5: Pre-Shift Work

Employees required to report to work before their regular shift shall be paid double time up to the start of their regular shift and straight time for their regular shift.

Section 6: Lunch Breaks

Men required to work a lunch break shall be paid one-half (½) hour extra and given sufficient time to eat their lunch.

ARTICLE VI. OVERTIME (continued)**Section 7: Overtime Meals**

If an employee is required to work more than two (2) hours overtime:

(a) After the employee has worked two (2) hours overtime and further overtime is required to complete the project, the Company shall provide the employee with sufficient money (and transportation, if required) to obtain a nourishing meal.

(b) Every four (4) hours thereafter the Company shall provide the employee with sufficient money (and transportation, if required) to obtain a nourishing meal.

(c) One half-hour (½) at the overtime rate shall be allowed for each overtime meal break.

(d) Breakfast following pre-shift dockings shall continue in accordance with established practice.

(e) The Company shall instruct all Supervisors to include proper meal breaks, cash advances and suitable transportation arrangements in their overtime planning and instructions.

Section 8: Sleep Time

When overtime is worked, there shall be an elapsed period of nine (9) hours between the stopping time on overtime and the time the men working such overtime are required to resume work on their normal shift. The hours required to make up the nine (9) hour period shall be paid for at straight time rates.

Section 9: Pre-Shift Work

(a) Employees called in to work four (4) hours or less before the start of their regular shift, will be paid overtime rates up to the start of their shift and straight time rates for the duration of their regular shift.

(b) Employees called in more than four (4) hours prior to the start of their regular shift, who have worked a long enough time so that there is less than nine (9) hours elapsed between the time they finish work until the starting time of their regular shift, shall not be required to report for their regular shift until nine (9) hours from the time they finished work. In such case, they will be paid for that portion of the nine (9) hours which they would have been working on their shift at straight time rates.

(c) If the elapsed nine (9) hour period results in only two (2) hours or less of their regular shift time available for work, they shall not be required to report for work on that shift, but shall be paid at straight time rates as though they had worked for the entire shift.

Section 10: Overtime Bank - Vacation Overtime

The Company shall implement a voluntary overtime bank generally in accordance with Schedule "C".

Section 11: Docking Crew Minimum

The parties agree to waive the contract provisions on "call out time" with respect to the Docking Crew under the following conditions.

When an employee is called in, after his regular shift, to dock or undock a vessel, he shall be paid as follows:

- (a) If the docking or undocking of a vessel takes less than two (2) hours, the employee shall be paid two (2) hours at the overtime rate.
- (b) If the docking or undocking of a vessel takes more than two (2) hours, the employee shall be paid for the time worked at the overtime rate.

There shall be no requirement to remain on the job doing other work for the unexpended period of time under (a) described above.

ARTICLE VII. SENIORITY**Section 1: Qualification**

No employee shall attain Seniority standing until having completed sixty (60) days work within a six (6) month period of the date of hiring. Upon completion, the new employee's Seniority date shall be his hiring date (for the six month period in which seniority status was attained) added to the bottom of the Seniority List. Employees who have not attained Seniority, i.e. with less than sixty (60) days worked, shall not be subject to the Seniority provisions of this Agreement.

Section 2: Layoffs & Rehiring

Time served with the Company shall be a principal consideration in the event layoffs are necessary due to work shortages.

When the Company increases or decreases the working force, Seniority shall be the governing factor in layoffs and rehiring unless there is a glaring discrepancy in aptitude or productivity. The Company shall have the right to retain out of seniority one (1) Foreman and one (1) Assistant Foreman per classification per shift provided that the Assistant Foreman demonstrates appropriate ability (or potential) in regard to the skill, ability, leadership and related qualities required of a supervisor in the opinion of the Company.

The Company agrees that the Shop Steward will be advised of the order of layoff twenty-four (24) hours prior to the said layoff when possible under normal circumstances. Employees being laid off will be notified four (4) hours in advance.

The Union office will be advised of anticipated layoffs as soon as the information becomes available.

When it is not possible to give twenty-four (24) hours notice, notices shall be given immediately when the information is available.

On the day of termination a laid off employee will be allowed sufficient time to clear at Stores, gather and load tools, clean, etc., prior to the end of shift.

Section 3: Seniority List

The Company will prepare a Seniority List from its records. Where doubts exist regarding an employee's original date or length of service, the Company's records shall be deemed to be correct.

The Company will, on a regular basis, submit copies of the Seniority List to the Union for review.

Section 4: Leave-Of-Absence

Employees may be granted leave-of-absence without affecting their Seniority. Such leave-of-absence, for not more than one (1) year, shall be granted in writing by the Foreman, a copy of which shall be kept in the employee's file and by the Union. Leave-of-absence shall not be granted to any employee to seek or accept other employment.

Section 5: Loss of Seniority

Seniority will be maintained for a period of two (2) years from the date of layoff. If called back to work, an employee has the right to one (1) by-pass without losing his Seniority. The second notice of work, if used to terminate an employee's Seniority, shall not be given until sixty (60) calendar days has passed subsequent to the day on which the first notice was given. A refusal because of sickness shall not count as a by-pass, (medical certificate to be provided on request).

Seniority of employees shall be lost in the following circumstances. Any employee who has lost his Seniority and is subsequently hired shall be hired as a new employee:

- (a) Any employee who is discharged for just cause and who is not reinstated under the Grievance Procedure.
- (b) Any employee who quits of his own accord.

ARTICLE VII. SENIORITY (continued)

Section 5: Loss of Seniority (cont'd)

- (c) Any employee who is out of the employ of the Company for a period of more than two (2) years.
- (d) Ceases to be a "Member in Good Standing" of the Marine Workers' & Boilermakers' Industrial Union, Local No. 1.

ARTICLE VIII. STATUTORY HOLIDAYS

Section 1:

All employees shall receive their regular day's pay for the following Statutory Holidays and any others declared by the Federal or Provincial Government:

New Year's Day	B.C. Day
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day

One (1) additional Floating Statutory Holiday to be mutually arranged between December 24th and January 2nd each year.

The parties may, by unanimous consent of all Unions and the Company, agree to observe any of the holidays on an alternate day.

Statutory Holidays falling on a Saturday or a Sunday shall be observed on a previous or following day, as mutually agreed.

Section 2: Statutory Holiday Pay Qualifications

To qualify, any employee who works nine (9) days in either or both of two pay periods, one pay period to be the one in which the Statutory Holidays occur and the other one to be the pay period immediately preceding, shall be paid for that Statutory Holiday.

Time lost due to accidents that occur in the shipyard shall be counted as time worked for the purpose of qualifying for statutory holiday pay. (An employee may not receive concurrent payments from the Company and the Workers' Compensation Board for the Statutory Holidays.)

Section 3: Statutory Holiday Work

Double time shall be paid for all work done on Statutory Holidays plus Statutory Holiday Pay.

ARTICLE IX. VACATIONS

Section 1:

All employees covered by this Agreement, with less than one (1) year's service with the Company, shall receive vacations in accordance with the "*Annual Holidays Act*"—i.e. four percent (4%) of gross earnings.

Employees hired after January 1, 1987, shall receive Holiday Pay increments as follows:

1 Year	or more	—	5% of Gross Earnings	(2.60 Weeks)
2 Years	or more	—	6% of Gross Earnings	(3.00 Weeks)
5 Years	or more	—	7% of Gross Earnings	(3.64 Weeks)
8 Years	or more	—	8% of Gross Earnings	(4.00 Weeks)
10 Years	or more	—	9% of Gross Earnings	(4.68 Weeks)
15 Years	or more	—	10% of Gross Earnings	(5.20 Weeks)

Employees hired between January 1, 1980 and December 31, 1986 did not receive increments as quickly as employees hired after January 1, 1987.

Employees hired between January 1, 1980, and December 31, 1986, shall receive Holiday Pay increments as follows:

2 Years	or more	—	6% of Gross Earnings	(3.00 Weeks)
5 Years	or more	—	7% of Gross Earnings	(3.64 Weeks)
8 Years	or more	—	8% of Gross Earnings	(4.00 Weeks)
10 Years	or more	—	9% of Gross Earnings	(4.68 Weeks)
15 Years	or more	—	10% of Gross Earnings	(5.20 Weeks)
20 Years	or more	—	12% of Gross Earnings	(6.24 Weeks)

Employees hired prior to January 1, 1980, did not receive increments as rapidly as employees hired after January 1, 1980.

Employees hired prior to January 1, 1980, shall receive increments as follows:

8 Years	or more	—	8% of Gross Earnings	(4.00 Weeks)
10 Years	or more	—	9% of Gross Earnings	(4.68 Weeks)
15 Years	or more	—	10% of Gross Earnings	(5.20 Weeks)
20 Years	or more	—	12% of Gross Earnings	(6.24 Weeks)
*	25 Years	or more	—	12% of Gross Earnings (6.24 Weeks)

* Plus one (1) additional regular day's pay for each year served in excess of twenty-five (25) years (maximum five [5] days).

Section 2: Vacation Pay Calculations

- (a) All employees shall be given two (2) options for receiving Vacation Pay:
 - (i) the employee may direct that Vacation Pay be paid with each payroll cheque; or
 - (ii) the employee may direct the Employer to accumulate his Vacation Pay and report the accumulation on each payroll cheque.

The Vacation Pay accumulated shall be paid at the time the employee takes his vacation(s).

- (b) The Vacation Pay rate for all employees shall be calculated on the basis of pay periods. No employee's vacation pay rate shall be reduced from that paid August 31, 1988.

ARTICLE IX. VACATIONS (continued)**Section 2: Vacation Pay Calculations** (cont'd)

- (c) The Vacation Pay rate for employees with Seniority start dates subsequent to January 1983 shall be calculated from their Seniority date on the basis of pay periods.
- (d) Increases in the Vacation Pay rate for employees with Seniority start dates prior to January 1, 1983, shall be made on the basis of the pay periods worked subsequent to their next "Seniority start date anniversary".
- (e) Time lost due to accident or illness shall count as time worked if the employee qualifies for "Workers' Compensation" or "Wage Indemnity".
- (f) Vacation payments shall be calculated on gross earnings for which no vacation payment has been made previously.
- (g) The Company shall provide a statement with all vacation payments disclosing:
 - the gross earnings on which the vacation payment has been calculated;
 - the period covered by the gross earnings; and
 - the Vacation Pay rate(s).
- (h) Service with the Company shall be considered broken by the circumstances outlined in Article VII, Section 5.

Section 3:

The Company supports the Union position that employees are expected to use their Vacation Pay earnings to fund vacations. Vacation leave should be proportional to Vacation Pay earned.

ARTICLE X. SAFETY AND HEALTH**Section 1: Introduction**

The Company and the Union fully support the adoption and implementation of safety procedures and standards. The Company and the Union agree to give full support to the promotion of safety consciousness and a personal sense of responsibility amongst the employees.

Section 2: Injured Employees

Any employee suffering injury while in the employ of the Company must, if possible, report immediately to the First Aid Department and also report to said department on returning to work. An employee who is injured and must leave the shipyard due to the injury shall be paid for the balance of the shift at the prevailing rate of pay.

Section 3: Wet Paint

Employees shall not be asked to work against wet paint if such work can be avoided.

Section 4: Paint Scheduling

All painting, cement finishing, tarring, etc., work shall be done after welding, wherever possible.

ARTICLE X. SAFETY AND HEALTH (continued)**Section 5: Ventilation**

The Company shall operate suitable ventilation equipment for removing fumes for all work spaces.

Section 6: Respirators and Breathing Apparatus

The Company shall supply suitable dust masks, respirators or breathing apparatus as may be required to protect employees from fumes or suspended contaminants that may be encountered in their assigned work areas.

Section 7: Safety and Health

Employees who are unable to report for work on the day following a specific on-the-job injury **may** be paid for the lost day provided they contact a manager or senior supervisor prior to shift start and report the circumstances of their injury to the Company representative.

Employees who expect to be absent for more than one (1) day shall contact the Safety Manager (or other senior manager) to discuss if there are appropriate opportunities to work at light duties.

Article XI. PENSIONS AND WELFARE**Section 1:**

Company contributions to the Union Welfare and Pension Plans as provided for under this Article are to be made on behalf of all employees covered by this Agreement.

Effective July 1, 2011, the Company shall contribute a total of Five Dollars and Eighty Cents (\$5.80) for each hour worked and each overtime hour worked to the Union Welfare, Pension and Disability Funds.

ADDITIONAL PENSION CONTRIBUTIONS

Effective July 24, 2011 employees agree to self contribute sixty cents (\$0.60), and the employer shall contribute seven cents (\$0.07) per hour worked from reduced payroll burden, to the Marine Workers' Pension Plan.

Section 2:

The Company will remit all contributions to the Welfare and Pension Plans by the fifteenth (15th) day of the month following the contribution period.

Section 3: Basic Contributions

Contributions to the Welfare Plan and Pension Plan will be made on a maximum of:

- (a) Seven and three-quarters (7¾) hours for each full shift worked as defined in Article III, Sections 2, 4 and 5.
- (b) One (1) hour's contribution for each overtime hour worked irrespective of actual shift worked.
- (c) Payment shall not be made on shift bonus hours, confined space hours, dirty work hours, etc.

Section 4: Statutory Holiday Pay Contributions

The hours upon which the Company's contribution to the Union Welfare and Pension Plans are based shall include Statutory Holiday Pay hours.

Article XI. PENSIONS AND WELFARE (continued)

Section 5: Vacation Pay Contributions

(a) The Company will contribute to the Union Welfare and Pension Plans on all earned vacation pay hours in accordance with the contribution rates specified under Section 1.

(b) Earned vacation pay hours are agreed to be the quotient obtained when dividing an employee's gross vacation pay payable by the employee's current hourly rate.

(c) Contributions under this section shall be remitted to the Union Welfare and Pension Plans by the fifteenth (15th) day of the month following the vacation pay payment.

Section 6: Audited Reports

The Company is to have the right to ask for a complete Audited Report of each plan once a year by a firm of qualified Chartered Accountants.

Section 7: Alcoholism and Drug Abuse

The Company will co-operate (in confidence) with the union(s) to assist employees with drug or alcohol issues. The objective being to determine and provide appropriate procedures and services, via third party, to the employee.

The Company and union(s) will provide affected employees with leave of absence to attend drug or alcohol rehabilitation when mutually agreed.

ARTICLE XII. SEVERANCE PAY

If an employee, upon his early retirement, qualifies for his Union pension as a retiree, severance pay will be paid.

All employees forced to retire because of ill health or by reaching retirement age shall be entitled to severance pay as follows:

- (a) Employees with seven (7) to ten (10) years service with the Company shall be entitled to two (2) weeks pay (i.e. ten [10] days pay).
- (b) Employees with ten (10) years or more service shall be entitled to one (1) day's pay for each year of service with the Company.

In the event an employee who has earned severance pay dies, the severance payment shall be paid to the employee's Designated Beneficiary.

Severance pay calculations shall be based on years of service from the seniority start date.

ARTICLE XIII. GENERAL PROVISIONS**Section 1: Bereavement Pay**

In case of death in the immediate family of a non-probationary employee, such employee shall be granted leave-of-absence for the purpose of arranging or attending a funeral, attending to the estate or similar need (up to a maximum of three [3] working days) with full pay. Immediate family shall mean husband, wife, mother, father, step-father, step-mother, brother, sister, children, father-in-law, mother-in-law, grandparents, grandchildren.

When an employee is on authorized vacation leave and a death occurs in his immediate family, the employee may substitute his vacation leave with Bereavement leave days subject to, and in accordance with, the Terms of the Collective Agreement governing Bereavement leave. The Company may request Bereavement verification from the employee.

Section 2: Jury Duty

All the time lost by an employee due to necessary attendance on jury duty or on call for jury duty or when required to attend court by Subpoena as a Crown Witness, (provided such court attendance is not occasioned by the employee's private affairs), shall be paid for at the difference between his regular pay and the amount he receives for such jury duty provided that any such employee shall make himself available for work before or after being required for such jury duty whenever practicable.

Section 3: Moonlighting

The Company and the Union agree that the practice commonly known as "moonlighting" is wrong in principle. The term "moonlighting" for purposes of this clause shall refer to a full time employee who regularly makes a practice of working for another employer for a substantial number of hours during the week.

- (a) When this practice affects or conflicts with Company business or the employee's ability to perform his normal duties, it shall be cause for reprimand or dismissal.
- (b) When this practice affects or conflicts with the Union policy, the Company agrees to cooperate with the Union in reprimand or dismissal.

Section 4: Payment of Wages if Discharged for Cause

Any employee being discharged for disobeying rules of the Company will only be paid up to the time of discharge. The Company agrees that he shall be paid off within twenty-four (24) hours of the time of discharge, provided the office is normally open.

Section 5: Company Tool Receipts

No employee will be paid off until he produces a receipt for any tools or equipment (property of the Company) that have been issued to him.

Section 6: Loss of Tools and Clothing

The Company will replace employee's personal tools, personal clothing, coverall service replacement costs, prescription eye glasses, lenses, etc., with tools or clothing of equal value in cases where it can be verified that the tools were lost, damaged or stolen (other than by employee negligence) during, or in connection with the employee's employment duties.

The Company and Union shall mutually agree on a list of tools to be supplied by the employee. This is to be in line with the list of tools and manner in which they must be supplied as discussed during negotiations.

ARTICLE XIII. GENERAL PROVISIONS (continued)**Section 6: Loss of Tools and Clothing** (cont'd)

Tools and clothing must be secured in lockers, tool chests, "Allied boxes" or equal and fitted with padlocks when not in use.

Each employee shall provide an inventory of his tools on a form supplied by the Company to be eligible for replacement. The list to be prepared on Company time.

Section 7: Loss of Welder's Gloves

The Company will replace welder's gloves where it can be verified that the gloves, being in good condition, were lost or rendered unusable by damage, other than by negligence or normal wear, such damage or loss to be during the course of the employee's employment duties.

(a) **Spray Painter's Coveralls**

The Company will supply suitable disposable work clothes for spray painters when working at their trade.

(b) **Welder's Coveralls**

The Company shall ensure a "Coverall Service Contractor" provides coverall service to all employees, including welders.

Welders are expected to wear leather bib-type pants and leather jackets to protect their coveralls from sparks.

The Company shall pay the replacement cost of welder's coveralls damaged by sparks, provided the welder maintains his tool and clothing inventory in accordance with the *Trade Group Schedule* and wears his leathers when protection is required.

Section 8: Air-Arc Protective Clothing

The Company will supply protective clothing and equipment for welder use while air-arcing.

The Company shall provide "NEW" gloves for use when air-arcing at no cost to the employee. Employees shall keep such gloves in their locker for air-arc use only.

Section 9: Tool Sharpening

Mechanics using edged tools shall have their tools in shape when hired and keep them in shape on Company time.

Section 10: Trade Jurisdiction

In the matter of jurisdiction between the various trades covered by Agreements, common practice shall be followed. If the two parties to the dispute cannot reach an amicable settlement, the Management shall instruct one party or the other to proceed with the work in question until an arrangement satisfactory to all concerned has been obtained.

Section 11: Rates of Pay/Classifications

(a) In the event an employee is temporarily assigned to a higher paid class of work than his own, the full hourly rate of pay agreed to for such classification shall be paid.

(b) Any employee asked to do temporary work at a classification with a lower hourly rate of pay shall receive his usual rate of wages, provided a change of pay shall be permissible after seven (7) day's notice.

ARTICLE XIII. GENERAL PROVISIONS (continued)**Section 11: Rates of Pay/Classifications** (cont'd)

(c) The Company agrees to pay men and women equal wages for all work classifications included in this Agreement.

Section 12: Interrupted Operations

If, for reasons beyond the control of the Company such as plant breakdown or inclement weather, it is necessary to close the yard or any part thereof, employees may be sent home and paid only for the actual time worked with a guaranteed minimum of two (2) hours pay. Employees will be paid in such circumstances provided they have not been advised not to report for work by their department supervisors, nor by the Company.

Section 13: Harassment

The Union and the employer recognize the right of the employees to work in an environment free from harassment.

The Union may initiate a Grievance under this clause at any step of the Grievance Procedure. Grievances under this clause will be handled with all possible confidentiality and dispatch.

Section 14: Coffee Breaks

There shall be two (2) coffee breaks of ten (10) minutes each for each shift worked. Coffee to be supplied by the Company. Employees are to take their break at the **nearest** coffee station to their work areas.

Section 15: Productivity & Work Practices

(a) The Union shall cooperate with the Company to the fullest extent to increase production and facilitate completion of all jobs in the best possible time.

(b) Any employee who is a member of a specific working crew is expected to render whatever assistance may be necessary at any time while he is not engaged on his own operation.

(c) It is the mutual desire of the parties to this agreement to enhance productivity and efficiency, to eliminate inefficient work practices and to create a working environment where the experience and skill of each employee will be fully utilized.

To this end, the Company and the Union agree that a committee will be struck and called "The Productivity and Work Practices Committee". It will be comprised of supervisors and tradespersons from the affected trade classifications. The committee will consider and make recommendations to management on all matters that pertain to increased productivity, such as:

- What are impediments to productivity?
- Support work between trades.
- One man job functions.
- Work station and facility readiness.
- Upgrading, training and apprenticeships.

On certain jobs, Fitters will be required to do welding and welders will be required to do fitting work. Welding will be done by tradesmen who have the appropriate certification.

ARTICLE XIII. GENERAL PROVISIONS (continued)**Section 15: Productivity & Work Practices** (cont'd)

It is not the intention of this clause to allocate work to one group and limit it to another. The Company commits to implement this clause in a fair manner and the skill and ability clause (Article VII, Section 2) if invoked, would only relate to any employee's original classification.

The Company and the Union wish to promote the continuance of the sense of "working together" which is ongoing between the trades at Allied Shipbuilders Ltd.

Section 16: Automation

In view of the possible impact on manpower and conditions of employment resulting from technological changes and automation, it is agreed that the parties hereto utilize to the best advantage of the Company and the employees, all scientific improvements and establish a Committee to be known as the Committee on Automation, consisting of equal representation by the Employer and the Union. The Committee's duties shall be to investigate and submit recommendations on all aspects of automation, mechanization and new methods to include the following: (a) training and retraining; (b) alternate employment opportunities within the yard. In addition, the Company will, if possible, inform the Committee six (6) months prior to the introduction of any new equipment which will require extensive retraining or will result in loss of employment. Also, the Company will cooperate with the Union and the Government in matters of training or retraining.

Section 17: Contracting "In and/or Out"

The Union agrees to work with the employees of and with materials supplied by outside contractors providing the subcontractors employ only Union labour. Time permitting, prior to contracting "in and/or out" if one of the certified Unions in the yard covers the classification which is required in subcontracting, the matter will be discussed with the appropriate Union or Unions involved.

Section 18: Payroll Cheque and Information

The Company shall endeavour to include the following information on each payroll cheque stub:

Current Earnings
Deductions
Net Pay
Vacation Pay Rate
Pay Period Credits re Vacation Pay Rate
Accrued Untaxed Vacation Pay Fund Balance
YTD (Year-to-Date) Federal Tax Deducted
YTD (Year-to-Date) Gross Earnings

Direct deposit shall be explored during the life of the agreement.

Section 19: Lunchrooms/Lunchroom Outfit

The Company shall provide adequate lunchroom facilities adjacent to major work areas where practical. Outfit in each lunchroom shall include:

- sink, coffee machine, refrigerator, microwave oven.

Section 20: Caulking Tools

The Company shall assist employees with the manufacture or purchase of caulking tools.

Section 21: Vaccination

Any employee required to work on or near black water shall have current and appropriate vaccinations. The company shall pay for vaccinations, as necessary.

ARTICLE XIII. GENERAL PROVISIONS (continued)**Section 22: Additional Out of Pocket Costs When Reporting To and From Work to Worksite Other Than Allied's Facility:**

Allied will re-imburse employees for out of pocket costs to travel to and from worksites other than Allied when reporting to the other worksite at the start of shift and departing from the other worksite to go home, if they are in excess of the costs to report to Allied's North Vancouver facility.

ARTICLE XIV. GRIEVANCE PROCEDURE**Section 1:**

The employee may present a Grievance at the First Level of the Grievance Procedure no later than ten (10) working days after the date on which the employer is notified in writing, or on which the employer first becomes aware of the action or complaint which has given rise to the Grievance. Any Grievance not brought to the attention of the Employer within the time limits shall be deemed to have been waived and not be entitled to consideration.

Grievances shall be adjusted and finally settled without stoppage of work, as follows:

- (1) By negotiations between not more than two (2) Shop Stewards of the Union and the Foreman.
- (2) In the event that agreement between the aforesaid is not reached then between the said bargaining representatives and the Management of the Company.
- (3) If such differences are not adjusted within two (2) weeks after such negotiations are begun, by submission of the matter to Arbitration as hereinafter provided.

Section 2:

Either party shall notify the other, in writing, of the question or questions to be arbitrated and the names and address of its chosen Representative on the Arbitration Board. After receiving such notice and statement the other party shall, within five (5) days, appoint its Representative and give notice, in writing, of such appointment to the other party.

The two (2) Representatives shall endeavour to select a third Representative to act as Chairman of the Arbitration Board. If the two (2) Representatives fail to select the third Representative within three (3) days, they shall forthwith request the Labour Relations Board to appoint a Chairman.

The parties may, by mutual agreement, elect to use a single Arbitrator instead of a three (3) man Arbitration Board.

Section 3:

The decision of the Board shall be by majority vote and all decisions will be final and binding upon the parties hereto.

Section 4:

The provisions of the Arbitration Act of the Province of British Columbia shall apply to any Arbitration held under the Terms of this Agreement.

Section 5:

Each party shall pay its own costs and expenses of Arbitration and one-half (½) of the compensation and expenses of the third Arbitrator and stenographic expenses.

ARTICLE XV. DURATION OF AGREEMENT

Section 1:

This Agreement shall become effective March 1, 2015, and will remain in force until February 28, 2018.

Section 2:

In accordance with Section 50(4) of the *Labour Relations Code of British Columbia*, the parties hereby specifically exclude the operation of subsections (2) and (3) of Section 50 of the *Labour Relations Code of British Columbia*.

Section 3:

Either party of this Agreement may, at any time within four (4) months immediately preceding the date of expiry of this Agreement, by written notice, require the other party to the Agreement to commence collective bargaining. Both parties shall thereupon enter into such negotiations in good faith and make every reasonable effort to secure a renewal of the Agreement(s).

Section 4:

In the event of notice, as provided in this paragraph, this Agreement shall remain in full force and effect while negotiations are being carried on for the arrangement of a further Agreement.

IN WITNESS WHEREOF the Parties hereto have caused their names to be subscribed and their seals to be affixed by their respective officers, hereunto duly authorized.

DATED THIS 30th day of April 2015, at North Vancouver, B.C.

FOR THE COMPANY:

FOR THE UNION:

SCHEDULE "A"

TO AGREEMENT EFFECTIVE MARCH 1, 2015 TO FEBRUARY 28, 2018

JOB CLASSIFICATIONS AND BASIC WAGE RATES

Employees shall be paid in accordance with their Classification Rates, as follows:

<u>BASIC WAGE RATE, excluding Tool & Clothing</u>		<u>NET JOURNEYMAN WAGE, including Benefits</u>	
	<u>March 01, 2015 to Feb 28 2016</u>		<u>March 01, 2015 to Feb 28, 2016</u>
JOURNEYMAN	\$. 38.70	Journeyman Base Rate	\$ 38.70
		Tool & Clothing26
CRANE OPERATOR	\$. 38.99	Welfare Plan.....	2.15
SPRAY PAINTER	\$. 39.15	Pension Plan	3.20
BLASTER	\$. 34.37	Disability Plan	<u>.45</u>
HANDYMAN	\$. 34.37		\$ <u>44.76</u>
LABOURER	\$. 31.72		
* NEW START LABOURER	\$. 27.30		

	<u>March 01, 2016 to Feb 28 2017</u>		
JOURNEYMAN	\$. 39.86	Journeyman Base Rate	\$ 39.86
		Tool & Clothing28
CRANE OPERATOR	\$. 40.16	Welfare Plan.....	2.15
SPRAY PAINTER	\$. 40.32	Pension Plan	3.20
BLASTER	\$. 35.40	Disability Plan	<u>.45</u>
HANDYMAN	\$. 35.40		\$ <u>45.94</u>
LABOURER	\$. 32.68		
* NEW START LABOURER	\$. 28.11		

	<u>March 01, 2017 to Feb 28 2018</u>		
JOURNEYMAN	\$. 40.86	Journeyman Base Rate	\$ 40.86
		Tool & Clothing30
CRANE OPERATOR	\$. 41.16	Welfare Plan.....	2.15
SPRAY PAINTER	\$. 41.33	Pension Plan	3.20
BLASTER	\$. 36.29	Disability Plan	<u>.45</u>
HANDYMAN	\$. 36.29		\$ <u>46.96</u>
LABOURER	\$. 28.81		

SCHEDULE "A"

TO AGREEMENT EFFECTIVE MARCH 1, 2015 TO FEBRUARY 28, 2018

JOB CLASSIFICATIONS AND BASIC WAGE RATES

* NEW START LABOURER \$. 28.81

FOREMAN – Journeyman's rate plus minimum of 10 %

ASSISTANT FOREMAN – Journeyman's rate plus minimum of 5 %

LEAD HANDS – Journeyman's rate plus minimum of 3 %

* New Start Labourers who do not have shipyard work experience shall be paid the "New Start Labourer" rate for the first six (6) months worked.

TOOL & CLOTHING ALLOWANCE

In addition to the basic wage rate and Cost of Living adjustments, employees shall receive a minimum tool and clothing allowance in accordance with the following schedule:

	<u>March 01, 2015 to Feb 28, 2016</u>	<u>March 01, 2016 to Feb 28, 2017</u>	<u>March 01, 2017 to Feb 28, 2018</u>
Machinists & Engine Fitters	30¢/hr	32¢/hr	34¢/hr
All Other Employees	26¢/hr	28¢/hr	30¢/hr

MILEAGE

Employees who elect to travel to work sites in their personal vehicles, (other than those where the room and board provision applies) shall be paid at the rate posted by the Federal Treasury Board.

APPRENTICES

Apprentices shall be employed in accordance with the provisions of the *Industry Training Authority Act*.

The normal maximum ratio shall be one (1) apprentice for each three (3) journey persons employed. This ratio may be amended by mutual consent.

Apprentices, on completion of their Probationary Period of ninety (90) days shall be part of the bargaining unit and shall be required to become and remain Members of the Union while covered under this Agreement. Apprenticeship rates shall be as follows: (see Schedule "C" for Welders rates)

First 6 months.....	55% of the Journeyman's rate
Second 6 months.....	60% of the Journeyman's rate
Third 6 months	65% of the Journeyman's rate
Fourth 6 months	70% of the Journeyman's rate
Fifth 6 months.....	75% of the Journeyman's rate
Sixth 6 months.....	80% of the Journeyman's rate
Seventh 6 months.....	85% of the Journeyman's rate
Eighth 6 months.....	95% of the Journeyman's rate

Apprentices who attain Journeyman status in less than four (4) years shall be paid Journeyman rate on receipt of their Classification.

SCHEDULE "B"

THIS LETTER OF UNDERSTANDING made and entered into

BY AND BETWEEN:

ALLIED SHIPBUILDERS LTD.

AND

MARINE WORKERS' & BOILERMAKERS' INDUSTRIAL UNION, LOCAL NO. 1

This letter is to clarify the conditions and hourly rates of pay regarding a Welder Training Program.

1. The Company and the Union hereby agree to a Welder Training Program on the following terms.
2. An Improver cannot be started on the program while Journeyman Union Members are available.
3. An Improver will not lose his Seniority in his previous Classification during his training period. The Improver will have no Seniority over any Journeyman, but will have Seniority in his training group should there be more than one (1) Improver in the same Classification. The Improver will be credited with his time served as Improver on completion of his time, and so establish his Seniority on the Journeyman's Seniority List.
4. The normal maximum ratio allowed under this program shall be two (2) Improvers for each ten (10) Journeymen employed, where there is an approved Welder Training Program. This ratio may be amended by mutual consent.
5. The Welder Improver shall be chosen by a Selection Committee with equal Union and Management representation. His starting rate of pay for the first six (6) months shall be fifty-five percent (55%) of Journeyman's rate and a periodic increase in pay every six (6) months thereafter as stipulated in this Agreement.
6. The Shop Steward and Union office must be notified as to the Improver's starting date. The Improver may be removed at any time during his training time if found to be unsuitable by the Committee in regard to ability in becoming a Journeyman.
7. The Welder training period shall be a maximum of thirty (30) months. An Improver with outstanding qualifications and advanced pre-training may have his training period shortened by the Committee. If the Improver has not achieved the necessary standards within the thirty (30) months to qualify for Journeyman's rate of pay due to sickness or loss of time, his training period may be extended for the time lost. If his ability after thirty (30) months is still questionable he should be returned to his previous Classification and Seniority.

SCHEDULE "B"

(continued)

re: Welder Training Program (cont'd)

8. During the training period, the Improver must be given the opportunity to learn and improve his skills and knowledge of the trade.
9. Boat yards employing ten (10) or more Welders (this ratio may be waived by mutual consent) may initiate a program of Journeyman Upgrading and Welder Training, generally in accordance with the following guidelines:
 - CWB Training Manual to provide background of basic principles and procedures;
 - Constant close supervision—a minimum of fifty percent (50%) of time worked to be spent "production welding".
 - Maximum number of Improvers per Journeyman Welder designated as Training/Upgrading Supervisor = ten (10).
 - A minimum of four (4) hours per week to be intensively supervised and to include welding in all positions with a variety of electrode sizes and types, air-arc preparation of butts, hand-burning, machine burning, submerged arc and/or hand-held wire-feed equipment.
 - A minimum of four (4) hours within a four (4) week period spent undertaking supervised CWB Welding Tests.
10. In the event of a reduction in the Journeyman's Classification work force, the Improver shall be laid off first in accordance with the above ratio of Improvers allowed, and on rehiring, the Senior Improver must be called in first, based on the starting date reported to the Union office.
11. On or before completion of the Improver's term, he will be assessed on his ability by the Committee. When successful, the Improver shall be given a "Letter of Qualification", along with the Union's approval, and be paid the Journeyman's rate.
12. All Welders who have attained Seniority and are employed as Journeymen shall maintain their Journeyman status.
13. JOURNEYMAN WELDER QUALIFICATIONS:
 - Minimum of thirty (30) months; verified welding experience (including any documented training courses).
 - Pass CWB Vertical Butt Weld Test to visual and X-ray inspection standards.
 - Pass CWB Horizontal and Overhead Butt Weld Tests to visual and X-ray inspection standards.
 - Demonstrate reasonable hand-burning proficiency in all positions. Demonstrate reasonable air-arc (gouging) proficiency in all positions.

SCHEDULE "B"
(continued)

re: Welder Training Program (cont'd)

14. WELDER IMPROVER QUALIFICATIONS & WAGE RATE:

All "new start" Welders hired by Employers operating an approved Welder Training/ Upgrading Program that do not meet the requirements for "Journeyman Welder" shall be classified as "Welder Improver".

Welder Improvers that meet the following qualifications shall be paid eighty-five (85%) of Journeyman Welder rate:

- A minimum of twenty-four (24) months verified welding experience (including any documented training courses).
- Pass CWB Vertical Butt Weld Test to visual and X-ray inspection standards.
- Demonstrate reasonable proficiency in flat, horizontal overhead and inclined positions.
- Demonstrate reasonable air-arc (gouging) proficiency in all positions.

Welder Improvers that have less than thirty (30) months verified welding experience or do not meet the Journeyman Welder Qualification requirements, shall be paid in accordance with the following schedule:

First 6 months (including documented training)	55% Journeyman rate
After 6 months (including documented training)	65% Journeyman rate
After 12 months (including documented training)	70% Journeyman rate
After 18 months (including documented training)	75% Journeyman rate
After 24 months (including documented training)	85% Journeyman rate
After 30 months (including documented training)	100% Journeyman rate

This Letter of Understanding shall be effective as of September 1, 1982, to August 31, 1984, and thereafter from year-to-year, unless a minimum of sixty (60) days prior to an anniversary date, written notice of contrary intention is given by one party to the other.

BY THE COMPANY:

BY THE UNION:

SCHEDULE "C"

" OVERTIME BANK " (VACATION OVERTIME)

LETTER OF UNDERSTANDING

BETWEEN

ALLIED SHIPBUILDERS LTD.

AND

MARINE WORKERS' & BOILERMAKERS' INDUSTRIAL UNION, LOCAL No. 1

This letter is to clarify the conditions and options regarding the "Overtime Bank" system (vacation overtime):

1. Employees may elect to participate in the "Overtime Bank" at any time, however, the Company shall retain the right to delay implementation or cancellation of the "Overtime Bank" for up to fifteen (15) working days from the date the request to participate or cease participating is made. One (1) of the following overtime bank options must be declared at that time:
 - One hundred percent (100%) time off;
 - Fifty percent (50%) time off and fifty percent (50%) cash;
 - One hundred percent (100%) cash.
2. (a) New employees shall make their declaration when hired.
(b) Employees who have attained Seniority, on rehiring may reactivate their overtime bank option or submit a new option form.
3. Time off may be claimed as follows:
 - (a) Up to and including four (4) days accumulation forty-eight (48) hours notice to the Foreman.
 - (b) Over four (4) days accumulation - approval from the Foreman.
Note A signed voucher by the Foreman is required for (a) and (b) above.
4. Time off must be claimed in one (1) shift multiples.
5. In the event of a work shortage, a Foreman can direct an employee to exercise his overtime bank option if the alternative is for that employee to be laid off.
6. Residual accumulated credits will be paid in the last regular pay cheque of each calendar year. However, employees may defer payment and carry the balance forward into the next year. Employees may request payment of accumulated overtime credits in the pay period ending closest to July 1st each calendar year.