

COLLECTIVE AGREEMENT

BETWEEN

BABCOCK & WILCOX CANADA

AND

**UNITED STEELWORKERS
OF AMERICA
Local 2859**

Effective September 1, 2002

to

August 31, 2005

January 27, 2003

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01620 (08)

THIS AGREEMENT MADE THIS xxx

DAY OF December, 2002.

BETWEEN:

Babcock & Wilcox Canada - Cambridge, Ontario hereinafter referred to as the "Company",

and

UNITED STEELWORKERS OF AMERICA, Local 2859, hereinafter referred to as the "Union".

ARTICLE 1 - UNION RECOGNITION

1.01 The Company recognizes the Union as the exclusive collective bargaining agent for all employees of the Company at its Cambridge, Ontario plants, save and except Supervisor, persons above the rank of Supervisor, office employees, technical personnel, temporary engineering students, sales staff and persons covered by subsisting collective agreements.

1.02 (a) The use of the masculine gender herein means both men and women. The term "employee" as used in this agreement shall mean only those included in the bargaining unit as defined above.

(b) The term "technical personnel" in Article 1.01 of the Agreement will be used to identify persons skilled in the technique of a mechanical art and will include graduates of Institutes of Technology or persons with equivalent education or specialized training.

1.03 Supervisor and other salaried personnel of the Company will not perform duties normally carried out by employees covered by the Agreement, except:

- (i) for training periods;
- (ii) for experimental procedures;
- (iii) when analysing, instructing and demonstrating;
- (iv) in case of emergency to avoid damage to equipment, property, or injury to themselves or others.

1.04 When an employees is having their orientation with Industrial Relations the Company will give the new employee a copy of the Collective Agreement and the letter provided by the Union and any changes to this letter as mutually agreed to.

1.05 The United Steelworkers of America and Babcock & Wilcox Canada will provide a harassment free work environment.

1.06 The Company shall provide an office for the Union's use.

1.07 The local Union President or his designate, as set out in article 8.20, shall oversee all Local Union Committees as agreed to in the C.B.A. and may attend all such committee meetings by prior arrangement.

ARTICLE 2 - MANAGEMENT RIGHTS

2.01 It is recognized that management of Company operations and direction of employees are fixed exclusively in the Company which maintains all rights and responsibilities of management not specifically modified by this Agreement and the Union further acknowledges that it is the exclusive function of the Company to:

- (a) Maintain order, discipline and efficiency.
- (b) Hire, lay-off, classify, direct, transfer, promote, demote, discharge and suspend with just cause or otherwise discipline employees, subject to the right of an employee to lodge a grievance as herein provided.
- (c) Generally to manage the enterprise in which the Company is engaged, and to determine the work to be done, methods, schedules of production, kinds, location and output of machines and maintenance of same and tools to be used, processes and the control of materials and parts to be incorporated in the products produced.
- (d) Make and alter from time to time and enforce rules and regulations to be observed by the employees, provided that such rules and regulations are not inconsistent with any of the provisions of this Agreement.

ARTICLE 3 - UNION SECURITY AND DUES

3.01 The parties hereto mutually agree, that within thirty days of the signing of this Agreement, each employee who has completed his probationary period shall become and shall remain a member of the Union.

3.02 It is agreed that any employee hired after the signing of this Agreement shall become a member of the Union following completion of his probationary period and will sign a Union membership form at the time of hiring.

3.03 The Company shall, during the term of this Agreement, deduct from the wages of each employee on the active payroll, commencing with the employee's first pay, the equivalent of the regular monthly dues in the amount certified in writing by the Union to the Company to be currently in effect according to the Union Constitution. Each employee shall complete the bottom section of the United Steelworkers of America membership and dues authorization form. Such deductions shall be made weekly, and shall be remitted to the International Treasurer of the United Steelworkers of America direct or through the financial secretary of the designated Local Union not later than the 12th day of the month following. The Company will also deduct initiation fees as applicable on proper authorization from the employee by completion of Appendix "D".

3.04 (a) The monthly dues remittance shall be followed by a record of those from whom deductions have been made not later than the end of each calendar month together with the amounts of such deductions plus the total number of hours and employees.

(b) The total amount of monthly dues deducted shall be shown on the employees T-4 slip, and shall be distributed to all employees by February 12 of each year.

(c) Copies of all termination notices shall be issued to the Union at the time of the employee's termination and when a leave of absence of 21 days or longer is granted a copy of the

leave of absence Form 443 shall be issued to the Union.

(d) The Company shall notify the Union within three working days of hiring a new employee. Such notifications shall state the employee's name, employee number, starting date, seniority date, classification, job class and rate.

3.05 The Union shall save the Company harmless from any claims, suits, judgements, attachments and from any form of liability as a result of such deductions in accordance with the foregoing authorizations.

ARTICLE 4 - GRIEVANCE PROCEDURE

4.01 (a) I) If any employee has a complaint, the employee, and a Union Steward if requested, shall discuss the matter with his Supervisor within five working days of the occurrence of the incident complained of being known or should have been known, to allow the opportunity of adjusting the complaint prior to it becoming a grievance. The Supervisor shall give his decision verbally within one working day of receipt of the complaint, or a time mutually agreed upon.

II) If the employee believes the issue has not been resolved after the verbal discussion with the Supervisor, a Union Steward shall discuss the matter with the Shop Senior Superintendent within two (2) working days of the Supervisor's verbal response. The Superintendent shall give his decision verbally within one (1) working day of the initiation of this discussion, or at a mutually agreed upon time.

(b) Any difference between the Company and an employee as to the meaning, application or interpretation of the provisions of this Agreement or any matter involving hours, wages or working conditions covered by this Agreement may constitute a matter for a grievance.

4.02 The Parties agree that meetings to discuss written grievances will be held weekly between 6:00 A.M. and 5:00 P.M. as required, Thursdays, commencing on September 5, 2002. The Parties will confirm the grievances on the meeting agenda and times 48 hours prior to the meeting start time. In the event that there are no grievances to be heard the meeting will be cancelled.

4.03 Step One

If after the verbal discussions of the complaint per article 4.01 the Union Grievance Committee believes the grievor has a justifiable grievance under the terms of clause 4.01 b), a written statement of grievance shall be submitted within five working days of the Superintendent's decision. Such written grievance shall state the Articles allegedly violated and the remedy sought. The meeting to discuss the grievance will be attended by the department Supervisor, Superintendent, Industrial Relations representative, Employee, Steward, Chairman of the Grievance Committee or his designate. A written reply shall be given prior to the next weekly meeting or at a time mutually agreed upon.

4.04 Step Two:

If no settlement is reached in Step One, the Union Grievance Committee may then refer the grievance to Step Two. The Step Two meeting will be attended by the Union Grievance Committee, the International Representative (if available) and management representatives. If settlement of the grievance is not made within five working days of said meeting or such longer period as may be mutually agreed, the matter may then be referred to Arbitration.

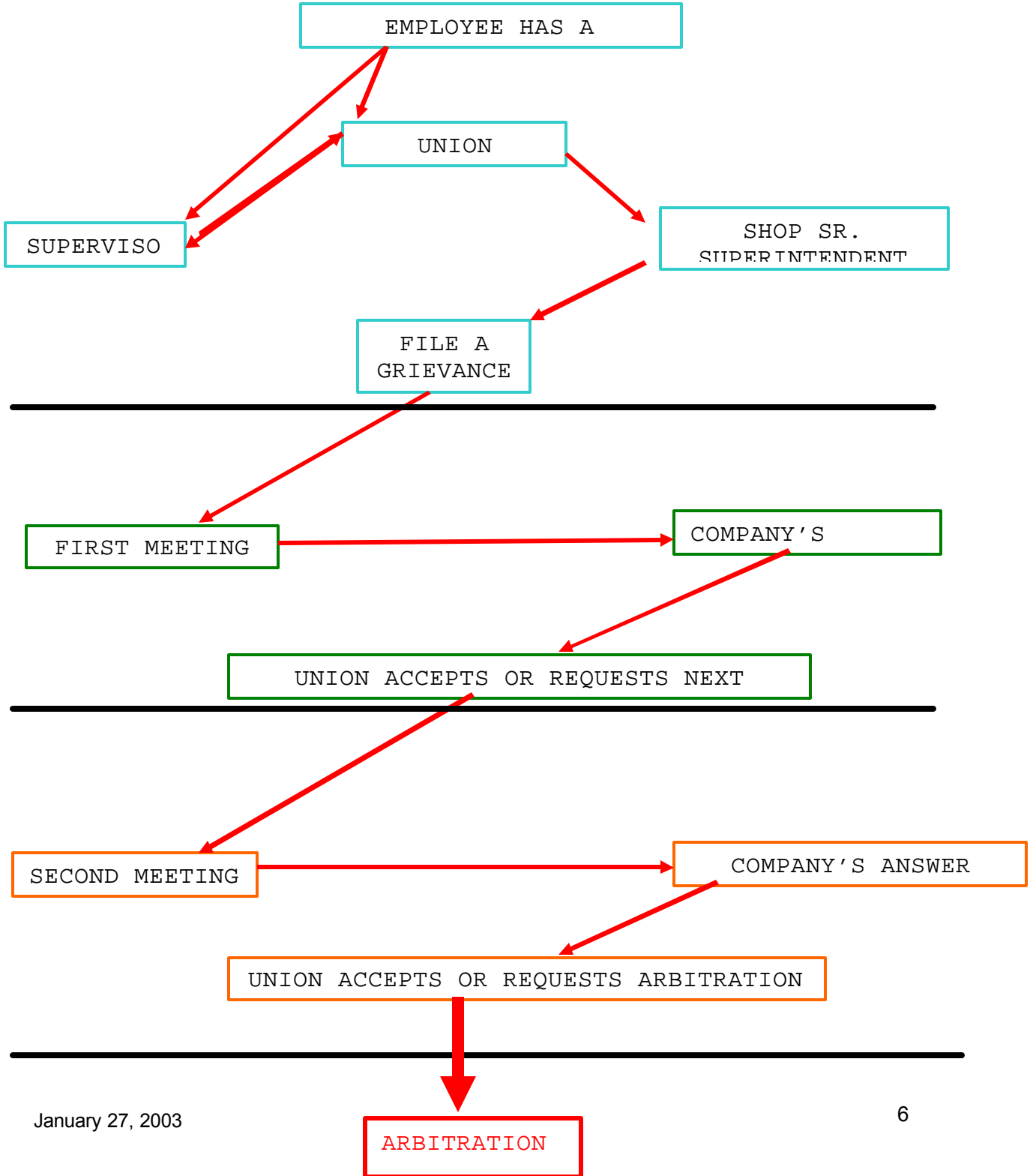
4.05 If no written request for arbitration is submitted by either party within 20 working days after the conclusion of Step Two, or a mutually agreed upon time, the grievance will be automatically referred to arbitration as a joint request for arbitration by both parties.

4.06 Any difference arising directly between the Company and the Union may be submitted under the Grievance Procedure, in writing, by either party, commencing with Step Two. Such a grievance must be submitted within five working days after the circumstances giving rise to the grievance became known or should have become known.

4.07 Saturdays, Sundays and Statutory Holidays will not be counted as working days, in determining the time in which any action is to be taken or completed under the grievance or arbitration procedure. All mutually agreed extensions to timelines will be confirmed in writing.

FLOW CHART FOR GRIEVANCE PROCEDURE

JULY 9, 2002



ARTICLE 5 - ARBITRATION

5.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

5.02 The arbitration procedure shall be based on the use of a single arbitrator, selected on a rotating basis from a panel of four (4) arbitrators. The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it.

5.03 In selecting the panel of four (4) arbitrators, each party shall submit to the other party, a list of six (6) nominees. Each party to this agreement shall select two (2) of the nominees from the list submitted by the other party. The nominees so selected shall then constitute the panel of four (4) arbitrators, the names to be listed in alphabetical order.

5.04 Should any of the arbitrators constituting the above mentioned panel of arbitrators withdraw or resign from the panel, then the party who nominated the arbitrator who has withdrawn or resigned, shall forthwith submit to the other party to this agreement, a list of four (4) nominees from which shall be selected one nominee to replace the arbitrator who has withdrawn or resigned.

5.05 The arbitrators shall act singly, and in rotation with respect to each successive grievance, in chronological order, that is referred to arbitration. Should any arbitrator be unable to hear a grievance within sixty (60) calendar days after the grievance has been referred to them, they shall be passed over to the next in line.

5.06 The parties hereto shall share the costs/expenses of the arbitrator. The proceedings of the arbitrator shall be expedited by the parties hereto.

5.07 The arbitrator shall have no jurisdiction to alter, change or amend the terms of this agreement.

5.08 Employees shall not receive pay from the Company for the time spent away from their regular work in connection with arbitration procedures.

5.09 The above referred list of arbitrators is as follows:

Mr. I. Hunter
Mr. W. Kaplin
Ms. P. Knopf
Mr. O.B. Shime

ARTICLE 6 - SUSPENSION AND DISCHARGE CASES

6.01 It is recognized and agreed that probationary employees may be terminated during their probationary period for failure to meet acceptable standards as determined by the Company. Performance standards shall be applied and administered in a manner that is not arbitrary or discriminatory.

6.02 In the event of employee being suspended, discharged or has a dispute with the interpretation or application of article 23, a grievance shall be deemed to be filed in a timely manner at

Step Two, and will be discussed at the next scheduled grievance meeting.

6.03 Such special grievance may be settled by confirming the Company's action in dismissing the employee, or by reinstating the employee with or without full compensation for time lost, or by any other arrangement which is just and equitable in the opinion of the conferring parties or in the opinion of the Arbitrator, if the matter is referred to such arbitration.

6.04 The Company will serve notice of discipline or notice of intent to discipline, including suspension and discharges, to employees and the Union within five (5) working days of the alleged violation becoming known or should have become known to the Company.

ARTICLE 7 - NO STRIKES OR LOCKOUTS

7.01 The Parties agree that there will be no lockouts, strikes, slowdowns or other interference with work as long as this Agreement continues to operate.

7.02 In the interest of continued harmonious labour relations the Parties agree to hold labour Management meetings on a quarterly basis to discuss items of mutual concern.

Without limiting the generality of the above, the following items may be discussed at these meetings:

Workload and Manpower Requirements
Operational Concerns
Business Outlook

It is further understood that upon the agreement of both Parties, additional meetings may be held if required. Prior to the date of the meeting, the Company and the Union will advise each other of desired topics for discussion.

ARTICLE 8 - SENIORITY

8.01 Seniority provisions shall apply to all employees covered by this Agreement.

- a) Employees hired prior to October 2, 1987 shall have their seniority date determined from the ranking status on the seniority report dated 10/02/87.
- b) Employees hired on and after October 2, 1987 and having the same seniority date, shall have their seniority determined alphabetically by surname.

8.02 Seniority of each employee covered by this Agreement shall be established after a probation period of 30 days worked and shall count from the date of hiring. In the event a probationary employee is terminated, and in the event he is rehired within a period of one year from the date of such termination, his previous probationary service shall be credited to him.

8.03 An employee shall maintain and accumulate seniority under the following conditions as applicable:

(a) During an absence due to lay-off equal to length of service at time of lay-off, not to exceed a maximum of 36 months.

(b) During absence due to an employees' illness not to exceed twenty-four continuous months in the case of employees with twelve months or more seniority at the time of commencement of

such illness. The Company reserves the right to require proof of illness.

(c) During absence due to an employee's illness not to exceed a period equal to the employee's seniority at the commencement of such illness, in the case of employees with less than twelve months seniority. The Company reserves the right to require proof of illness.

(d) During leave of absence granted by the Company in writing.

(e) During the period of pregnancy / paternity leave.

8.04 An employee shall lose his seniority, his employment shall be terminated, and his name shall be removed from all seniority lists for any of the following reasons:

(a) If the employee voluntarily quits.

(b) If the employee is discharged for cause and is not reinstated in accordance with the provisions of this Agreement.

(c) If the employee is laid-off and fails to notify the Company of his intention to return to work within five working days after the Company has notified him to do so by telegram or registered mail to his last known address, or having done so, if he fails to return to work within ten working days from the date of mailing of such letter or sending of such telegram.

(d) If the employee has been on lay-off for a period equal to length of service at time of lay-off, not to exceed a maximum of 36 months.

(e) If an employee has been absent without leave for three consecutive working days unless a satisfactory reason is provided.

8.05 The Company shall supply the Union from time to time and as available, with a list of employees in order of seniority as of the date of the list. Such list shall be revised not less frequently than every four months. The seniority of an individual may be had on application by the employee or the Union to the Company.

8.06 An employee who has been transferred to a job outside the bargaining unit, but with the Company, may be returned to the bargaining unit with his seniority at the time he left the bargaining unit, providing his return to the bargaining unit is within two calendar years from the date he left the bargaining unit.

If such a transferred employee is outside the bargaining unit for a term exceeding two calendar years from the date of his transfer, he may be returned to the bargaining unit with his seniority at the time he left the bargaining unit, except for the purposes of lay-off, recall after lay-off, promotion, demotion and shift assignment, his seniority shall be computed from the date of his last return to the bargaining unit.

8.07 Senior employees with more than one year's seniority shall be entitled to preference for shift assignment within their job classification in which they hold seniority. Such senior employees will be permitted to express their shift preference once in every twelve (12) week period. At no time shall a Learner 1 or Learner 2 or Probationary employee be displaced from their shift assignment as a result of shift preference. The Local Union president shall be assigned day shift unless otherwise mutually agreed by the Company and the Union. Newly hired employees shall not be displaced from their shift assignment as a result of shift preference for a maximum period of sixty (60) days worked. Upon completion of the sixty (60) days work period, employees will be placed on a shift which is consistent with their seniority. Any movement of shifts within the twelve (12) week period shall be by seniority

unless mutually agreed to by the Parties.

LAY-OFF AND RECALL

8.08 (a) The company will provide a lay-off list to the local union president on a monthly basis, listing the classification, seniority date and recall preference of each laid-off employee. The union president will acknowledge receipt of the listing by signing and dating at the time of issue.

(b) In all cases of lay-off for a period exceeding three working days in each three month period commencing with January first each year, employees with the least amount of seniority shall be the first laid-off, and employees with the greatest amount of seniority shall be the first recalled.

8.09 (a) In recognition of the responsibility of the Company management for the efficient operation of the plant, it is understood and agreed that in all cases of lay-off and recall, the employee, who has received notice of lay-off, will be entitled to displace an employee with less seniority in any job provided the employee meets the SKILL FACTORS of the job. Records verifying the qualifications of an employee to meet the SKILL FACTORS of the job must be present in the employee's personnel file prior to the posting date of the layoff notice.

If the employee doing the displacing does not meet the criteria set out above, he may displace into the job pool as set out in schedule "A".

Employees will be entitled to one right of displacement for each notice of lay-off and/or recall.

The employee must demonstrate his ability to perform the job within his lay-off notice period or he will revert to lay-off with no further right of displacement.

(b) Any employee who has been recalled to a job that is not his initial job will be given the opportunity to accept recall to a higher paying job which he is qualified to perform, provided that the higher paying job becomes available within (10) days of the original recall.

8.10 The Parties agree to the following layoff/recall procedure:

(a) An employee who has received layoff notice will contact the Human Resources Department within one full day following notice to exercise their right of displacement.

(b) Within two (2) days of the employee exercising his right of displacement, the Company will place the employee in the job for the purpose of establishing his ability to perform the job.

(c) The Employee shall be given up to the length of his layoff notice period (in accordance with the Employment Standards Act) to demonstrate his ability to perform the job. The length of the notice period for displaced (bumped) employees shall be in accordance with the displaced employee's entitlement under the Employment Standards Act. The start date for all notice periods shall start on the posting date of the lay-off notice.

The Company agrees to continue the past practice regarding all lay-off notices.

- (d) Employee's who have been placed in a job will be given the following Orientation:
- i) Safety
 - ii) Materials
 - iii) Equipment
 - iv) Job routine(s)

v) Job requirements

(e) After discussions concerning the job content with the Supervisor, the employee shall be entitled to one further displacement interview. However, in such cases the notice period as outlined above is not modified.

8.11 It is agreed that it is the responsibility of the laid-off employee to keep the Company Human Resources Department informed of his current address and telephone number.

8.12 The Company shall give at least five days advance notice to the Union and to the employee affected regarding lay-off, except in circumstances beyond the Company's control at the time of lay-off.

8.13 Employees who have been laid-off shall be entitled to preference for recall to job classifications other than that from which the employee was initially laid-off, in accordance with the principles set out in 8.09.

8.14 If any employee is recalled to a job classification other than that from which the employee was initially laid-off, he will maintain recall rights to that initial job classification, but will have no other recall rights, except as provided in Article 8.09(b).

8.15 An employee's refusal for recall to jobs other than that from which he was initially laid-off, shall not affect his rights to recall to the job classification from which he was initially laid-off. Each employee will have two (2) opportunities for recall to jobs other than their initial job and once these two recalls have been refused, he will lose recall rights to other jobs.

If a recalled employee is unable to perform the required work of a job class other than that from which he was initially laid-off, he reverts to lay-off.

8.16 An employee desiring to be notified of job vacancies, other than recall to the job classification from which he was initially laid-off, must signify his desire by application to the Human Resources Department on Form No. F120-G-16 prior to departing the Company on lay-off. The employee shall be entitled to retain a duplicate copy of such form.

Any employee who does not signify his desire for notice of such vacancies in accordance with the foregoing and wishes to do so at a later date, must either complete or revise Form No. F120-G-16 at that time.

8.17 In case of lay-off in any classification where a learner is employed, the Company may retain up to one learner for every ten qualified employees in that classification. Employees retained under this program will be the ones with the most hours in that specific learner program. If two or more learners have the same hours then the learner with the more plant seniority shall be retained. Recall of learners will be in order of plant seniority.

JOB POSTING

8.18 Senior employees shall, in all cases of job change, be entitled to preference, providing they have the qualifications, ability, skill and physical fitness to perform the required work satisfactorily.

8.19 (a) The Company shall post notices of regular job vacancies (save and except lead hands) including apprenticeship opportunities on the plant notice boards for a period of three (3) consecutive working days. The posting will include the number of job vacancies. The Company will also post a notice indicating the successful applicant(s).

(b) Application for a posted job shall be made to the Company on the application form provided for that purpose. On receipt of the application the Company will send an acknowledgement to the employee. When an employee has secured a position other than a Pool Job, through the job posting system, or as a new hire, he will be restricted as of the date he secures the new position from any further permanent job changes for a period of up to 12 months, plus learner periods.

(c) In the event there are no qualified applicants for a posted job or qualified employees on lay-off, the Company shall then have the right to hire qualified personnel, however, if qualified personnel are not available by means of hiring and it is decided to assign a learner to the job which is to be filled, such learner job shall be filled from senior employees who either apply to the job posting or are on lay-off. If there are no such employees on lay-off or applications for the learner job, it may be filled by the hiring procedure.

8.20 - Super-Seniority

a) The Local Union President or his designate shall not be subject to the lay-off procedure. He shall maintain his right as the local Union President.

In the event that the Local Union Vice President loses his displacement right solely due to lack of seniority, he shall replace the lowest senior employee whose job he can perform. Save and except that if the layoff results in the bargaining unit falling below 200 employees, only the Local Union Vice President shall lose such protected status.

b) The position of the Union President shall be a full time position. The Union President shall be free to work solely on Union activities directly related to the Company and/or the Union Membership for forty (40) hours per week. The Local Union President shall be paid by the Company save and except for time spent away from the Company premises. The Local Union President may designate a member of the Union Executive to act as Local Union President in such absences.

The wages paid shall be forty (40) hours per week at his current job classification rate or in the Case of the designate their current rate. The Maximum wages paid to the Local Union President and his designate will be 2080 hours per year including Holiday pay, but excluding Vacation pay.

c) For the purpose of overtime distribution the Local Union President or designate will be entitled to overtime within his current classification as per the C.B.A. When the term of the Union President is ended he will be reinstated to his current position or if due to lack of work his position were no longer available he would follow his seniority rights as per C.B.A.

8.21 - Lead Hands

Lead Hand premium of two job classes above the employee's classification rate shall be paid in addition to the employee's classification rate of pay while he is responsible for:

(a) leading and directing a group of employees;

or

(b) acting on behalf of supervision in assigning work, accumulating records and/or accounting for the activities of a shift;

or

- (c) overseeing a small area of responsibility with respect to a specific product line.
- (d) Lead Hands will not exercise any direction in activities such as hiring, promotion, demotion, discipline, suspension or discharge.

The Company shall have the right to appoint and/or remove lead hands as required within the areas defined above.

For the purposes of layoff and shift preference, lead hands shall have seniority only within their classification.

For the purpose of overtime distribution, lead hands shall be entitled to overtime within their classification.

ARTICLE 9 - BEREAVEMENT PAY

9.01 If an employee with seniority has a bereavement in his immediate family, (mother, father, spouse, child, brother, sister, mother-in-law, sister-in-law, brother-in-law, father-in-law, grandchild, step-father or step-mother) he shall be given leave of absence as follows:

Three consecutive days, one of which must be the day of the funeral.

In the case of a bereavement caused by the death of a grandparent of the employee or of the employee's spouse, the employee shall be given one day leave of absence on the day of the funeral. If any of these days fall on a day which he would normally be required to work, he shall be paid for same.

9.02 In order to qualify for bereavement pay, it shall be the employee's responsibility to notify the Human Resources Department as soon as possible following such bereavement.

9.03 1) Employees on compassionate leave will be entitled to bereavement leave and bereavement pay in the event a member of his/her immediate family dies during the compassionate leave.

2) Employees who request vacation for the purpose of visiting a dying member of his/her immediate family will be entitled to bereavement provided such member of his/her family dies during this vacation.

3) It is understood that the Company will not make double payment to any employee in the event that an employee qualifies for bereavement or vacation pursuant to paragraph 2, he/she will be entitled to bereavement or vacation, but not both for the same period. In the event that the employee takes bereavement, he/she would be entitled to take his/her remaining vacation with pay at a mutually agreeable time.

ARTICLE 10 - JURY DUTY AND CROWN WITNESS

10.01 The Company shall pay an active employee with seniority who is required for jury service or who is subpoenaed as a crown witness, for each day of such service, the difference between his straight time hourly rate for the number of hours he normally works on his regular shift and the payment he received for such service. The employee will notify the Company as soon as possible after being advised of the call for jury service or receipt of the subpoena as a crown witness. On receipt of Proof of Attendance as a Juror or Crown Witness, the Company will reimburse the employee for his regular day's pay less the current applicable amount of the Juror's or Crown Witness fee.

ARTICLE 11 - LEAVE OF ABSENCE

11.01 Leave of absence may be granted by the Company for reasons involving exceptional circumstances.

Any application for leave of absence must be approved by the Company prior to any employee absenting himself, and shall not interfere with economical operation. Union conventions or conferences shall be considered proper reasons for application for leave of absence. It is mutually agreed between the parties that all leave of absence must be used for the purpose for which they are granted.

11.02 The Company shall grant to not more than two employees at any one time leave of absence not exceeding two years, to work in an official capacity for the local or international union providing the employee requests the same in writing and bearing approval of the Union. Such employees will not have entry to Company buildings or property during term of such leave of absence except on express written permission of Company Management.

ARTICLE 12 - SAFETY AND HEALTH

12.01 (a) Both parties hereto will co-operate to the fullest possible extent toward the prevention of accidents and the promotion of safety and health of the employees of the Company. It being agreed that it shall be the duty of the employees and the Company to make use of all protective devices and equipment made available, and as instructed by the Company.

(b) The Company agrees during the term of the Agreement to contribute an amount equal to \$95.00 per year effective September 1, 2002 and \$100.00 per year effective September 1, 2003 towards the purchase of safety shoes to each employee who has completed his probationary period. Such payment is to be made in the first pay period in October commencing in 2002, 2003 and 2004 respectively.

In the case of probationary employees such payment shall be made upon successful completion of the probationary period.

(c) The Company agrees, during the term of the Agreement, to replace at no cost to the employee, prescription lenses which have been abnormally pitted at work. The Company shall be the judge of whether or not the pitting is sufficiently serious to justify replacement. Such replacement of abnormally pitted lenses shall be made by an Optometrist or Optician designated by the Company.

12.02 Both parties also agree that all employees injured by accident arising out of and in the course of employment shall report such injury, no matter how minor, to their Supervisor and at the First Aid room as quickly thereafter as possible. The employee's accident record will not be used against him without just cause.

12.03 a) If an employee is injured at work and is sent home by a Company representative, or by a doctor, he shall be paid up to the end of the full shift in which he was sent home.

b) The Company shall include a copy of the letter provided by the W.S.I.B. Committee and approved by the Company to all injured employees seeking medical assistance. Any changes to this letter as mutually agreed to.

12.04 A Health and Safety Committee will be formed consisting of a maximum of eight (8) employee and eight (8) Company representatives. Employee representatives will be chosen by the

Union. The Committee shall make inspections of the Plant(s) and equipment and will meet monthly for a mutually acceptable length of time. The Committee's function will be to promote health and safety in the Plant, equipment and employees' attitude.

The Company shall provide Occupational Health & Safety training to certify all committee members. Training for new member(s) will be provided once a year or at a mutually agreeable date. The committee members shall be paid by the Company at their regular hourly rate, plus any applicable premiums while attending training courses.

12.05 a) A Union Health & Safety Committee representative will be required to participate with Company personnel in investigations regarding medical aid, compensation cases near-miss incidents and accidents. The Chairman of the Union Health and Safety Committee shall be notified of such occurrences no later than one working day of such occurrences.

b) A Union Certified Member of the JHSC will have the power to stop unsafe work jointly with a certified Company representative. Work will resume concluding a joint investigation and deemed safe by the JHSC representatives. If no joint resolution is concluded by the certified Union and Company representatives a Ministry of Labour Inspector shall be called to resolve the issue.

12.06 An employee who is absent from work due to illness or accident for a period exceeding ten (10) working days must, prior to returning to work provide the Health Department with as much notice as possible, minimum two (2) working days, of their intent to return to work along with suitable medical documentation including any restrictions, where applicable.

ARTICLE 13 BULLETIN BOARDS

13.01 The Company agrees to provide bulletin boards in areas accessible to employees in the plant(s) for the purpose of posting meeting notices and official Union information. Notices will be signed and posted only by Officers of the Union and will be in keeping with the spirit and intent of this Agreement.

ARTICLE 14 - COMMITTEEMEN AND STEWARDS

14.01 The Executive, Grievance, Safety Committeemen, Shop Stewards and any committee the Union deems necessary for the efficient operation of the Union, will be designated in writing by the Union to the Company.

14.02 Effective June 1, 1994, for the purpose of meeting Company Representatives, the Grievance Committee shall consist of not more than three (3) members.

14.03 Any employee authorized to act on behalf of the Union and so acting on official business of the Union shall be free to discharge his duties without prejudicing his relations with the Company in any way, provided that such employee shall not leave his place of work to perform duties on behalf of the Union until he has had permission from his Supervisor, which shall not be withheld unreasonably. If, in the performance of such duties it is necessary for such employee to approach another employee in a department of the Company other than his own, he shall receive permission from the Supervisor of such other department before making such an approach, such permission not to be withheld unreasonably.

14.04 Pay will not be allowed for time spent by any employee of the Company in respect of duties on behalf of the Union, excepting that members of the Grievance Committee will not lose pay for time

spent during employee's regular scheduled working hours attending meetings with management representatives.

ARTICLE 15 - HOURS OF WORK

15.01 The standard working week for all employees shall be forty hours per week. It is understood that the provisions of this Article 15 are intended only to provide a basis for calculating time worked and shall not constitute a guarantee of hours of work per day, or days of work per week.

15.02 (a) A regular first shift shall consist of eight (8) hours per day plus an unpaid fifteen (15) minute lunch period. A regular second and/or a regular third shift shall consist of eight (8) hours per day including a fifteen (15) minute paid lunch. The normal starting times for these shifts shall be based on local times and are set out below:

First or day shift	Start 7:00 A.M.	End 3:15 P.M.
Second or Afternoon Shift	Start 3:15 P.M.	End 11:15 P.M.
Third or Night Shift	Start 11:00 P.M.	End 7:00 A.M.

The lunch period shall normally be at the mid point of the shift, however, it is understood and agreed that such lunch periods may be staggered to suit conditions and circumstances.

(b) It is understood and agreed that due to the nature of the work performed by service units it may be necessary to change or modify the normal starting and quitting time of an employee shift, in any event the regular hours of the shift shall not exceed eight (8) hours.

15.03 A shift will be considered as worked on the calendar day on which the major portion of the shift is worked.

15.04 The unit of time-keeping is six minutes. Any employee who wanders in late will have his pay commence at the start of the next unit of time-keeping.

15.05 Employees will be allowed five (5) minutes prior to the conclusion of their regular scheduled shift for the purpose of washing up but must not wand out before the conclusion of their regular scheduled shift.

15.06 The Company shall schedule two (2) ten (10) minute rest periods per shift. Additional rest periods shall be granted in cases of inclement weather and/or adverse working conditions. The Parties further agree to add the second rest period to the lunch periods as set below:

	First Break	Lunch
Days	9:30 a.m. - 9:40 a.m.	12:05 p.m. - 12:30 p.m.
Afternoons	5:40 p.m. - 5:50 p.m.	8:05 p.m. - 8:30 p.m.
Midnights	1:35 a.m. - 1:45 a.m.	4:05 a.m. - 4:30 a.m.

ARTICLE 16 - OVERTIME

16.01 Overtime at the rate of time and one-half shall be paid by the Company for such hours as shall be authorized by the Company as follows:

(a) For all hours worked in excess of 8 hours in any one day, Monday to Friday inclusive, except as noted in 16.02.

(b) For all hours worked on Saturdays, except as noted in 16.02.

16.02 Where the work week of an employee begins on a day other than Monday, time and one-half shall be paid by the Company for such hours as shall be authorized by the Company as follows:

(a) For all hours worked in excess of 8 hours in any one day for the first five consecutive days worked.

(b) For all hours worked on the sixth consecutive day.

(c) Such work week schedule shall be restricted to employees performing the duties of Operating Engineers. Such employees shall be paid a premium of fifty cents per hour for work performed on Saturdays and Sundays when operating on continuous four shift operations, except in cases where a Saturday or Sunday becomes an employee's sixth or seventh consecutive work day, which shall be paid at the prevailing rate for such overtime. In such cases the premium of fifty cents per hour shall not be paid.

For purposes of calculating such hours of work on the sixth consecutive day as shall be eligible for overtime pay, all time worked on shifts commencing on the fifth consecutive day shall be designated as fifth day work.

16.03 Overtime, at the rate of double time, shall be paid to employees by the Company for such hours as shall be worked on Sundays, or the seventh consecutive day in the case of employees referred to in Section 16.02, as required by the Company.

16.04 Hourly rated employees who are requested to work after their regular shift ends will be paid overtime up to the six minute unit of time embracing completion of their work. Such employees will receive his usual five-minute wash up period at the end of his overtime period and allowance will be made for this, i.e. a man whose normal shift ends at 3:00 p.m. (2:55 plus five minute wash-up) would, with twelve minutes overtime, work through the 2:55 to 3:00 p.m. period but wash up at 3:07 p.m. and wand out at 3:12 p.m.

16.05 Overtime at the rate of double his regular straight-time hourly rate for all consecutive hours he is required to work in excess of twelve (12) consecutive hours.

16.06 (a) All overtime work shall be voluntary and the Company shall give notice of overtime to an employee as far in advance as practical. An employee who is asked prior to the end of his Second last regular shift of the week would be credited with a refusal if the employee either refused or delayed his decision to the following day. In this situation the supervisor would continue to request overtime from other employees. The employee who delayed his decision would be permitted to work if he accepted the overtime the following day and overtime was still available. In the event an employee is not asked for overtime prior to the end of the second last regular shift of the week, a refusal will not be credited to the employee unless the employee accepted the overtime and did not come to work. The Company shall record hours of overtime worked, hours of overtime refused and the hours of overtime that the employee failed to appear.

b) Opportunities for overtime shall be distributed amongst employee(s) in their respective department and job classifications. Supervisors will ask for overtime in order from the employee(s) with the least hours overtime to the employee(s) with the most overtime hours.

Preference for overtime shall be restricted to the employee's normal shift except when overtime is scheduled on fewer shifts than is normal; employees will be pooled for the purposes of overtime. For example: A department normally works three shifts. Weekend overtime is restricted to one shift (dayshift). Employees from all three shifts are pooled for the purposes of overtime.

Employees who are absent from work for any reason when the overtime requirements are being filled shall be credited with the amount of overtime hours they would have been offered had they been at work.

Employees who are contacted at home for overtime shall not be credited with these hours unless the employee accepted the overtime and did not come to work.

New employees overtime shall be adjusted to the average overtime hours of the job classification of the work area to which they are assigned.

The Company shall post the "Shop Overtime Schedule" and "Overtime Hours Worked, refused and Absent for Shop Employees", weekly.

(c) In the event that the Company schedules overtime for Saturdays, Sundays and paid Holidays and fails to notify an employee not to report as usual for such scheduled overtime, and there is no work available, he shall be paid a minimum of four hours at his regular hourly rate. In cases of this nature, the Company has the alternative of temporarily assigning the employee to other work at his regular rate of pay, plus the prevailing rate of overtime for a minimum of four hours work. It is understood, however, that the foregoing does not apply in cases of lack of work due to circumstances beyond the control of the Company. It is also understood that the foregoing does not apply where the Company has made prior arrangements with an employee to work overtime for less than the guaranteed four hours.

16.07 Effective January 1, 2003 an employee may bank up to forty hours, from full weekend overtime shifts, per calendar year. (e.g. eight hours at double time overtime rate shall equal 16 hours banked time off hours). The banked hours shall be used by the end of the calendar year. If the banked hours are not used, then the employee shall be Paid for the banked hours. The time off will be taken at a mutually agreed time.

ARTICLE 17 - SHIFT PREMIUM

17.01 A shift premium of seventy-five (\$0.75) cents per hour will be paid to each employee for hours worked during second and third shifts.

ARTICLE 18 - REPORTING ALLOWANCE

18.01 Employees who report as usual for their regular shift when the Company fails to notify them not to report and there is no work for them shall be paid a minimum of four (4) hours at their regular hourly rate, plus any shift premium that applies. In cases of this nature, the Company has the alternative of temporarily assigning to the employee any other work at his regular rate of pay. It is understood, however, that the foregoing does not apply in cases of lack of work due to circumstances beyond the control of the Company.

ARTICLE 19 - CALL-IN ALLOWANCE

19.01 An employee who has left the Company premises and who is called back to work outside his

regularly scheduled working hours, shall receive the prevailing rate for overtime for all hours worked, with a minimum of four (4) hours pay at his straight time rate. When this is immediately followed by the Employee's regular eight (8) hour shift, such employee shall be permitted (unless mutually agreed between the employee and the Company to the contrary) to complete his regular eight (8) hour shift for that day and if any part of the four (4) hours call-in time overlaps the regular shift hours, the overlapping time shall be considered part of his regular shift hours.

ARTICLE 20 - OUTSIDE ASSIGNMENTS

20.01 Employees temporarily assigned to Company services or repair jobs at customers' plants shall be paid a premium of Two Dollars per hour for hours worked on such assignments.

ARTICLE 21 - PAID HOLIDAYS

21.01 (a) The following paid holidays will be observed as listed below.

2002-2003

Labour Day	Mon. Sep. 02, 2002
Thanksgiving Day	Mon. Oct. 14, 2002
Remembrance Day	Mon. Nov. 11, 2002
Christmas Day	Wed. Dec. 25, 2002
Boxing Day	Thur. Dec. 26, 2002
Floater	Fri. Dec. 27, 2002
Floater	Tue. Dec. 31, 2002
New Years Day	Wed. Jan. 01, 2003
Good Friday	Fri. Apr. 18, 2003
Victoria Day	Mon. May 19, 2003
Canada Day	Tue. July 01, 2003
Civic Holiday	Mon. Aug. 04, 2003

2003-2004

Labour Day	Mon. Sept. 01, 2003
Thanksgiving Day	Mon. Oct. 13, 2003
Remembrance Day	Tue. Nov. 11, 2003
Christmas Day	Thur. Dec. 25, 2003
Boxing Day	Fri. Dec 26, 2003
Floater	Mon. Dec. 29, 2003
Floater	Wed. Dec. 31, 2003
New Year's Day	Thur. Jan. 01, 2004
Good Friday	Fri. Apr. 09, 2004
Victoria Day	Mon. May 24, 2004
Canada Day	Thur. July 01, 2004
Civic Holiday	Mon. Aug. 02, 2004

2004-2005

Labour Day	Mon. Sept. 06, 2004
Thanksgiving Day	Mon. Oct. 11, 2004
Remembrance Day	Thur Nov. 11, 2004
Christmas Day	Fri. Dec. 24, 2004

Boxing Day	Mon. Dec. 27, 2004
Floater	Tue. Dec. 28, 2004
Floater	Fri. Dec. 31, 2004
New Year's Day	Mon. Jan. 03, 2005
Good Friday	Fri. Mar. 25, 2005
Victoria Day	Mon. May 23, 2005
Canada Day	Fri. July 01, 2005
Civic Holiday	Mon. Aug. 1, 2005

(b) The two floating holidays shall be mutually agreed to by the Company and the Union and shall be designated at the beginning of each new Collective Agreement. The floating holidays for the term of this Agreement have been mutually agreed to as indicated.

A specified holiday as listed above shall be observed on the day which it occurs, except that if such a holiday occurs on a Saturday, it shall be observed on the preceding Friday, except also, if such a holiday occurs on a Sunday, it shall be observed on the following Monday, except also, when Christmas Day occurs on Sunday, it shall be observed on the following Tuesday, and except also when December 26th or New Year's Day occur on a Saturday, it shall be observed on the following Monday.

21.02 The Company agrees to pay holiday pay equal to eight hours pay at the then current basic rate for the employee concerned, except that shift premium for eight hours shall be included for employees on shifts other than day shift, without requiring such employee to work on the holidays hereinbefore mentioned, and whether or not such holiday falls on a day that would otherwise be a working day, provided that the employee has completed his probationary period with the Company at the time of the above named paid holidays occur.

21.03 It is understood and agreed that to be eligible for paid holiday pay as hereinbefore provided, an employee must have been at work during his prescribed working hours on the last working day preceding and the next working day succeeding such a paid holiday unless he has secured formal leave of absence for the two specified days or if he is on approved leave of absence or lay-off which commenced during the two week period immediately prior to the holiday concerned. An employee who is absent due to illness or injury shall be considered eligible for such a paid holiday, however, such employee shall not receive more than six such paid holidays for any one period of absence due to such illness or injury. The Company reserves the right to require proof of such illness or injury.

21.04 In the event that one or more of the agreed upon paid holidays occur during the employee's vacation, he shall be paid for the holiday and receive an extra day's vacation to compensate for the paid holiday.

21.05 An employee required to work on any of the holidays named in Article 21.01 shall be paid at the rate of one and one-half times his regular straight-time hourly rate in addition to any holiday pay to which he is entitled.

ARTICLE 22 - VACATIONS WITH PAY

22.01 It is understood that all employees are required to take the yearly vacations with pay to which they are entitled. The following shall govern employees' entitlements to yearly vacation and the applicable pay allowance.

22.02 (a) The vacation year is from July 1st up to and including June 30th of the following year.

(b) The employee's vacation is based on service with the Company as of June 30th of the

vacation year.

(c) Vacation pay shall be calculated using the employee's gross earnings, as defined below, for the vacation year for each week of vacation entitlement. Such vacation pay, except as noted in paragraphs 22.02 (d) and (e) below, shall be paid to him at the time his vacation commences, however, such advance vacation pay shall not be made for a vacation period of less than one (1) week except in the case of an employee whose total vacation entitlement is less than one (1) week's pay.

For the purposes of clarification of gross earnings as used in 22.02 (c), it shall consist of pay for the prior vacation period, pay for paid holidays and shift premium, in addition to gross hourly wages earned including overtime. Hours paid for vacation time taken or for unused vacation entitlement In the event of a lay-off, up to the employee's vacation entitlement (i.e. forty hours paid per week of vacation entitlement); and calculated hours paid for employees who receive pay in lieu of notice of lay-off

(d) Except in the case of the normal shop vacation period, an employee shall give the Company ten (10) working days notice prior to the commencement of his vacation period in order to receive his vacation pay prior to the start of his vacation.

(e) An employee who does not give the Company ten (10) working days notice prior to the commencement of his vacation period, or an employee who takes his vacation in periods of less than one (1) week, shall receive his vacation pay for such period in his regular pay, for the week ending in which the vacation is taken.

(f) The vacation entitlement and pay shall be as follows:

<u>Service</u>	<u>Entitlement</u>	<u>Pay</u>
Up to three months	Nil	4% of gross earnings for the vacation year, payable at time of shop vacation period.
Three months	One week	4% of gross earnings for vacation year.
One year	Two weeks	4% of gross earnings for vacation year.
Five years	Three weeks	6% of gross earnings for vacation year.
Twelve years	Four weeks	8% of gross earnings for vacation year.
Twenty years	Five weeks	10% of gross earnings for

vacation year.

An employee who has been paid for a minimum period of 1040 hours during the vacation earning year will be entitled to vacation pay (all hours paid at the total calculated paid hours: eg: 8 hours double time shall equal 16 hours paid, eg: 6 hours time and one half shall equal 9 hours paid) calculated using the employee's gross earnings for the 52 weeks prior to the last pay period in June or at the employee's basic rate of pay as of the last day of the last pay period before June 30th, plus shift premium if applicable, whichever is the greater. Employees absent from work on Union business or who are receiving W.I. or W.S.I.B. may accumulate up to 520 hours towards the above 1040 hours.

(g) Maintenance Department employees will be required to work during the normal shop vacation period. Employees who are not required to work through the shop vacation period will be notified in writing not later than the first of April each year. A maintenance employee scheduled to work during the normal shop vacation shutdown period may make a request to take his vacation during this period. It is understood that the Company must make sure that its maintenance schedule for the shutdown period is adequately covered by experienced maintenance personnel. Therefore, it is recognized that it may not be possible for the

Company to approve such a request from an employee far in advance of the shutdown period, or at all. Preference will be given to senior employees when scheduling their vacations.

22.03 All vacation entitlement in excess of two weeks shall not necessarily be consecutive with the preceding two weeks of vacation but shall be taken at a time which shall be mutually satisfactory to the Company and to the employee during the period of twelve (12) months following the 1st day of July of the year in which the employee is entitled to the vacation. The Company may schedule any outstanding, unscheduled vacation entitlement during the period April 1 to June 30 of the year in which the employee is entitled to the vacation. The Company will schedule this vacation 10 working days in advance in blocks of one week.

22.04 In the event an employee terminates employment for any reason his vacation pay will be calculated on a pro-rata basis which will take into consideration his service entitlement and will be based on the period of his employment during the applicable vacation year.

ARTICLE 23 - INSURANCE AND WELFARE

23.01 The Company and the union agree that the following mentioned plans shall be part of this Collective Agreement. Any difference arising from the application and interpretation of this benefit plan may be resolved by means of the grievance procedure.

The Company will pay on behalf of all eligible employees the full costs for the following benefits included in:

- 1/ The Employee Benefit Plan "Appendix II – Babcock & Wilcox Hourly Employees", Dated 01-01-96, Administrative Services Contract No. 7579
- 2/ "Appendix II" Babcock & Wilcox Hourly Employees Contract No. 4337 Dated 01-01-96.

Including any amendments agreed to during the 2002 contract negotiations.

- (a) Extended Health Benefits - \$10.00 and \$20.00 deductible to a maximum of \$35,000.00.
 - (i) Extended health benefits with no deductible drug plan to a maximum of

\$35,000.00.

The Parties agree that there are currently four (4) drugs that have specified limitations. The Parties agree that this limitation will continue for the duration of this agreement.

<u>Drug</u>	<u>Limit</u>
Erectile Dysfunction Drug (Viagara)	\$1500.00
Xenical	\$1500.00
Fertility Drugs	\$6000.00
Nicorette or other Aids to Stop Smoking	13 weeks supply

The Parties further agree that if new drugs are introduced into the market and the Insurance Carrier recommends limitations, the Parties agree to meet, discuss and attempt to negotiate an agreeable limit. If the Parties fail to reach an agreement, The Company and the Insurance Carrier will have the right to impose a limit for the remaining term of the collective agreement.

- (b) Weekly Indemnity with following benefits to a maximum of 52 weeks.

Weekly Indemnity in an amount equivalent to 66 2/3% of the employee's average insurance earnings over the last twenty (20) weeks of insurable employment (as used by the Unemployment Insurance Commission).

- (c) Effective September 1, 2002, \$27,000.00 Life Insurance Plan plus \$27,000.00 AD & D
Effective September 1, 2003, \$31,000.00 Life Insurance Plan plus \$31,000.00 AD & D
Effective September 1, 2004, \$35,000.00 Life Insurance Plan plus \$35,000.00 AD & D

- (d) Private Room Hospital Coverage.

- (e) A Dental Plan equivalent to Blue Cross #9 shall be provided including dentures but not crowns or bridges.

Effective September 1, 2002, coverage to be based on 2001 O.D.A. Schedule of Fees.
Effective September 1, 2003, coverage to be based on 2002 O.D.A. Schedule of Fees.
Effective September 1, 2004, coverage to be based on 2003 O.D.A. Schedule of Fees.

- (f) Long Term Disability Plan.

Effective October 1, 1995, the Company will provide for a long term disability plan, the cost of which shall be borne by the Company providing for payments to disabled employees in an amount of \$800.00 per month to age 65 or recovery, whichever shall occur first, less any payments received by such employee, under the Quebec Pension Plan, Canada Pension Plan, Workmen's Compensation, or any other Company sponsored Group Insurance Plan or disability provision of the Company Pension Plan providing wage continuance or disability income benefit or other future Government Plans duplicating coverage, subject to the terms of the Plan. There shall be a minimum benefit of \$85.00 per week. It is understood and agreed that persons receiving long term disability benefits as of October 1, 1995, shall continue to receive benefits under provisions of the former Collective Agreement for the period of such disability.

- (g) Vision Care

Effective September 1, 1993 a vision care plan will be implemented to cover the cost of prescription

eye glasses/contact lenses as follows:

Reimbursement of up to \$200.00 each for the employee and eligible family members over twelve (12) years of age every twenty-four (24) months, and \$200.00 each for any dependant children under the age of twelve (12) every twelve (12) months.

(h) The Company shall continue to pay the premiums covering the following benefits for those employees receiving Weekly Indemnity benefits or Long Term Disability Insurance Plan benefits because of extended illness for the period the employee maintains his seniority rights under Section 8.03:

- (i) Extended Health Benefits
- (ii) Life Insurance
- (iii) Private.

The Company shall continue to pay the premium covering dental for one month following the month of disability for those employees receiving Weekly Indemnity.

(i) Effective September 1, 2002 employees who exercise their early retirement option will receive extended health benefits as noted in article 23.01 a) of the Collective Agreement, up to age 65.

23.02 An employee shall become eligible for Company payment of the premium for the Insurance Plans set out in Article 23.01 (a), (b), (c), (d), (e), (f), (g) and (l) upon completion of his probationary period.

23.03 The Company shall provide \$3,000.00 Life Insurance coverage for employees who retired or who will retire after September 1, 1981.

ARTICLE 24 - WAGES

24.01 The Co-operative Wage Study

(C.W.S.) Manual for Job Description, Classification and Wage Administration, dated December 29th, 1965, as amended, in Factors 1 - 3 and 5 and implemented in 1981 and signed off in August 15, 1985, (herein referred to as 'The Manual') is incorporated into this Agreement as APPENDIX 'A' and its provisions shall apply as if set forth in full herein.

24.02 (a) Each employee's job shall be described and classified and a rate of pay applied to such employee in accordance with the provisions of this Agreement.

(b) The Company upon hiring a new employee shall inform such employee of the duties required of him in his classification. Each newly hired employee shall be given a copy of their current job description.

24.03 The standard hourly wage scale shall be as set out in Appendix 'C'.

24.04 Effective on the dates specified in Appendix "C", all employees shall have their rates of pay adjusted as follows:

(a) If the employee is not receiving an out-of-line differential prior to the dates specified in Appendix "C", the rate of pay of such employee shall be adjusted to conform to the standard hourly rate for the employee's job, as provided in Appendix "C".

(b) If the employee is receiving an out-of-line differential prior to the dates specified in Appendix "C", the rate of pay of such employee shall be increased by the amount by which the rate for Job Class 1 has been increased, as provided in Appendix "C" and the following shall govern:

(i) If the employee's new rate resulting from such increase is greater than the standard hourly rate for the job, as provided in Appendix "C", the amount by which such employee's new rate is greater than the rate provided in Appendix "C" shall become such employee's new out-of-line differential (which shall replace the former out-of-line differential) and shall apply in accordance with the provisions of this Agreement.

(ii) If the employee's new rate resulting from such increase is equal or less than the standard hourly rate for the job, as provided in Appendix "C", the rate of pay of such employee shall be adjusted to conform to the standard hourly rate for the job, as provided in Appendix "C", and the former out-of-line differential shall be terminated.

24.05 As of the date the Standard Hourly Wage Scale becomes effective, the standard hourly rate for each job class shall be the standard hourly rate for all jobs classified within such job class and shall so continue for the duration of the Standard Hourly Wage Scale and shall be applied to any employee in accordance with the provisions of this Agreement.

24.06 Each standard hourly rate established under Appendix "C" shall be:

(a) the established rate of pay for all hours paid for on a non-incentive job; and

(b) the established hourly base rate and minimum guaranteed rate of pay under any incentive applied to the job in accordance with the provisions of this Article.

24.07 Except as otherwise provided by this Agreement, the established rate of pay for each production or maintenance job, other than a trade or craft or apprentice job, shall apply to any employee during such time as the employee is required to perform such job.

24.08 Except as otherwise provided by this Agreement, the established rate of pay for a trade or craft or apprentice job shall apply to any employee during the time such employee is assigned to the respective rate classification in accordance with the provisions of this Agreement.

Out-of-Line Differentials

24.09 The Company shall furnish to the Union a list agreed to by the Company and the Union of employees who are to be paid 'out-of-line differentials'. Such list shall contain the following information:

(a) Name of incumbent to whom such out-of-line differential is to be paid.

(b) Job title of job on which out-of-line differential is to be paid.

(c) Job classification of such job.

(d) Standard hourly rate of such job.

(e) Amount of out-of-line differential.

(f) Date such out-of-line differential became effective.

24.10 Except as such out-of-line differential may be changed by the means hereinafter provided, any employee included in the list referred to in Section 24.09 shall continue to be paid such out-of-line differential during such time as the employee continues to occupy the job for which the differential was established.

24.11 If an employee with an out-of-line differential is transferred or assigned to a job having a higher standard hourly rate, then the differential shall be reduced by the amount of the increase in the standard hourly rate.

24.12 If, as a result of lay-off, demotion, or the exercise of seniority rights, an employee with an out-of-line differential is moved to a job having a lower standard hourly rate, then the out-of-line differential shall be cancelled.

24.13 If such employee referred to in Sections 24.11 and 24.12 shall be returned to the job for which the out-of-line differential was established, the out-of-line differential shall be reinstated except as it may have been reduced or eliminated by other means.

24.14 When an employee would, in accordance with the terms of this Agreement, be entitled to receive his regular rate, he shall also receive any out-of-line differential to which he is entitled.

24.15 In addition to the means herein provided, increases in the increment between job classes shall be used to reduce or eliminate out-of-line differentials.

24.16 Except for the application of the out-of-line differentials as called for herein, the terms of this Agreement governing transfers shall apply.

Temporary Transfer

24.17 (a) An employee who is temporarily assigned from his regular job for two hours or more in any one shift shall be paid for the full shift at the standard hourly rate of the job classification to which he has been temporarily assigned, provided such rate is not less than that of his regular job classification. If the rate of the job to which he is temporarily assigned but not as a result of a lay-off is less than the rate of his regular job classification, he shall be paid the rate of his regular job classification during the period of such temporary assignment.

(b) Such temporary assignments from one job to another job shall be for a period not to exceed thirty (30) days worked unless it is mutually agreed between the parties to extend the period of a temporary assignment. In no event will a temporary transfer exceed 30 days worked while there are employees on lay-off, unless by mutual agreement between the Company and the Union. Such temporary assignments shall not be subject to Article 8.18 + 8.19 (A) + (B), however, if at the end of the temporary assignment period it is decided to fill the job on a permanent basis, the job shall be filled in accordance with 8.18 + 8.19 (A) + (B). If there are no qualified candidates who apply to a job posting, the permanent job may then be given to the employee who filled the job temporarily, if the employee agrees. If he does not agree, he will be returned to the job from which he was assigned.

(c) When an employee is temporarily assigned from his regular job classification to another job classification, he shall be entitled to shift preference as outlined in Article 8.07 in accordance with his seniority as it applies to all of the employees within the job classification to which he has been temporarily assigned. When it is necessary to change the shift assignment of the employees because of a temporary transfer, such a change of shift assignment to the employees affected shall take place

in accordance with the shift preference procedure under Article 8.07.

Learner Rates

24.18 Learner jobs requiring 'learner' rates, due to lack of adequate training opportunity provided by the promotional sequence of related jobs, shall be negotiated and made a part of this Agreement. Learner hours credited shall be a maximum of forty (40) hours per week.

24.19 A schedule of learner rates for the respective learning periods of 520 hours of actual learning experience with the Company on jobs for which training opportunity is not provided by the promotional sequence of related jobs, shall be established at the level of Standard Hourly Wage Scale rates for the respective job classes. This determination shall be on the basis of the required employment training and experience time specified in Factor 2 of the job classification record of the respective job as follows:

- (a) Code C: Seven to twelve months:
 - (i) One learner period classification at a level two job classes below the job class of the job.
- (b) Code D: Thirteen to eighteen months:
 - (i) A first learner period classification at a level four job classes below the job class of the job, and
 - (ii) A second learner period classification at a level two job classes below the job class of the job.
- (c) Code E and higher: Nineteen months and above:
 - (i) A first learner period classification at a level six job classes below the job class of the job,
 - (ii) A second learner period classification at a level four job classes below the job class of the job, and
 - (iii) A third learner period classification at a level two job classes below the job class of the job.
 - (iv) Employees who have had no related work experience in relation to the respective job shall serve an additional 520 hours of work in the learner period two job classes below the job class of the job.

24.20 The learner periods, as provided in Section 24.19, shall apply to those jobs listed in APPENDIX 'B' of this Agreement, except as otherwise mutually agreed between the Company and the Union and so indicated in APPENDIX 'B'. Learner periods shall apply only to jobs in Job Class 8 and up, except where the provisions of Section 24.21 and 24.22 apply.

24.21 The Company, at its discretion, may apply a learner rate to a learner on any job where another employee other than the learner is on the job, provided the learner rate applied is:

- (a) in the case of any employee hired for the learning job the standard hourly rate for Job

Class 2; or

- (b) in the case of an employee transferred from another job in the plant, the lower figure of:
 - (i) the standard hourly rate of the job from which transferred; or
 - (ii) the standard hourly rate of the job being learned.

24.22 The learner provisions set forth in Section 24.21 shall apply:

- (a) for a period of time sufficient to learn to do the job provided that such period shall at no time exceed 520 hours;
- (b) only to provide replacements for job vacancies; and
- (c) in accordance with the provisions of this Agreement for filling vacancies.

24.23 (a) The Company shall furnish the Union on the form set forth as EXHIBIT 'E' of the Manual, a list of jobs agreed to by the Company and the Union as appropriate for the application of learner rates. Such list may be added to or deleted from by mutual agreement of the Company and the Union. The schedule of learner rates set forth in Section 24.19 shall apply only to jobs in this list.

(b) The Company shall furnish the Union, each month, a list of the names of all employees who are learners, such list shall include the classification, the number of learner periods completed and the number of hours worked in the learner period up to the date of the issuing of the list.

24.24 Employees' time spent on a job requiring a learner schedule shall be cumulative. Overtime hours shall not be credited.

24.25 Any employee who has qualified for a job through a learner schedule shall not be required to repeat that learner schedule.

24.26 The established learner rate of pay for each learner period classification shall apply in accordance with the learner training periods as defined in Section 24.19. However, an employee whose current rate of pay is higher than the minimum rate of a learner job to which he has acceded, shall maintain his current rate, but not higher than the standard hourly rate of the job being learned until such time as the rate for the applicable learner period classification is equal to or exceeds his present rate.

24.27 Any employee, when assigned to a job on which a learner rate applies, shall be credited in the learner schedule with all time previously worked on such job, or, in the case of a 'grouped' job, on a job in such a group. It is agreed that such past time shall be computed from reasonably recent records of the Company.

General

24.28 Any mathematical or clerical errors made in the preparation, establishment or application of job descriptions, classifications or standard hourly rates shall be corrected to conform to the provisions of this Agreement.

24.29 Except as otherwise provided, no basis shall exist for an employee covered by this Agreement

to allege that a wage rate inequity exists and no grievance on behalf of an employee alleging a wage rate inequity shall be filed during the term of this Agreement.

Union C.W.S. Committee

24.30 (a) The Union will appoint three employees of the Company to act on the Union C.W.S. Committee, and shall advise the Company in writing of the names of such appointees. The Company shall continue its present practice of allowing a reasonable amount of time for the processing of C.W.S. matters by the C.W.S. Committee. Committee members shall not suffer loss of pay for time spent on such C.W.S. matters during normal working hours and while on the Company premises. Committee members shall obtain permission from the Company, before leaving their jobs to attend to such matters. Such permission shall not be withheld unreasonably.

(b) C.W.S. Committee members will continue to accumulate seniority for all time spent while attending to C.W.S. duties referred to above.

(c) It is understood that Committee members will return to their regular employment upon completion of their C.W.S. duties.

(d) It is understood and agreed the Union and Company C.W.S. Committees will meet once a month at a time mutually agreed upon, in order to discuss any C.W.S. matters. The Chairman of the respective Union and Company Committees will prepare an agenda of items to be discussed at least one week prior to the scheduled meeting.

ARTICLE 25 APPRENTICESHIP PLAN

See Appendix 'E'.

ARTICLE 26 PENSION PLAN

26.01 The Company and the Union agree that the present Pension Agreement which became effective January 1, 1966, and amended September 1, 1991, shall remain in effect for the duration of this agreement. The minimum guaranteed pension provisions shall be amended as follows:

Effective September 1, 2002 \$41.50 per month times years of continuous service for all employees covered by this agreement who retire after September 1, 2002.

Effective September 1, 2003 \$43.50 per month times years of continuous service for all employees covered by this agreement who retire after September 1, 2003.

Effective September 1, 2004 \$45.50 per month times years of continuous service for all employees covered by this agreement who retire after September 1, 2004.

The Pension Agreement shall further be amended as follows:

Effective September 1, 1989, add a provision to provide an unreduced pension payable upon retirement from age 60 with 28 years continuous service.

Effective September 1, 1981, add a provision to provide a survivor benefit at age 50 with 15 years service.

The Pension Agreement shall be automatically renewed for successive periods of one year thereafter unless either party gives notice of amendment or termination in writing to the other party not less than thirty (30) days or more than ninety (90) days before the expiration date or any anniversary of the expiration date.

Effective September 1, 1991, an employee who retires in receipt of an unreduced early retirement pension from age 60 with 28 years continuous service will qualify for a supplemental pension of \$200.00 per month payable to age 65.

Effective September 1, 2002 employees who exercise their early retirement option will receive extended health benefits as noted in article 23.01 a) of the Collective Agreement, up to age 65.

26.02 An employee who is laid off, after September 1, 1989, will accumulate pension credits for the length of time he retains recall rights to a maximum of 24 months. An employee on disability, illness or authorized leave of absence after September 1 1989, will accumulate pension credits for the length of time set out in article 8.03 to a maximum of 12 months. If he does not return to work within the specified period he will have vesting rights provided his seniority plus his accumulated pension credits under this article total two (2) years or more.

ARTICLE 27 DURATION OF AGREEMENT

27.01 This Agreement shall become effective September 1, 2002, and shall remain in effect until August 31, 2005.

This Agreement shall continue automatically thereafter for annual periods of one year unless either party gives notice of amendment, in writing, to the other party not more than ninety (90) days before the expiration date or any anniversary of the expiration date.

27.02 In the event that either party serves notice in writing to the other party for amendment, in accordance with Section 27.01, this Agreement shall continue in full force and effect until a new agreement is signed between the parties or until conciliation proceedings prescribed at law have been completed, whichever should first occur.

DATED at Cambridge, Ontario, this _____ day of _____, 2003. SIGNED on behalf of:

THE COMPANY

THE UNION

L. Slack

H. Sims

B. Pearce

M. Daly

D.M. Sanderson

P. Bethke

D. Legere

D. Gagnon

T. Byrne

R. Bilicky

D. Dakin

D. Hilker

D. Haus

H. Alexander

**APPENDIX "B"
LEARNER PERIODS
CLASSIFICATION ANALYSIS**

JOBS REQUIRING LEARNER RATES		HOURS & JOB CLASS FOR LEARNING PERIOD							
PLANT CODE	JOB TITLE	NO. OF MONTHS FACT.2	JOB CLASS	LEARNER PERIODS	HOURS	1ST PERIODS	2ND PERIODS	3RD PERIODS	
04-12-086	AUTO GUN MULTIPLE SPINDLE	13-18		12	2	520	08	10	
21-12-276	AUTOMATIC CUT-OFF OPERATOR	7-12	12	2	520	08	10		
04-12-070	BLANCHARD GRINDER OPERATOR	19-24		12	3	520	06	08	10
03-13-005	BURNER BOILER	19-24	13	3	520	07	09	11	
19-16-257	CO-ORDINATOR LOADING OPERATIONS	31-36	16	3	520	10	12	14	
21-10-327	CRANE OPERATOR (PACK BENDING)	7-12	10	1	520	08			
03-12-045	CRANE OPERATOR SLINGER	7-12	12	1	520	10			
21-09-291	CRANE OPERATOR SLINGER	3-6	09	1	520	07			
04-11-168	DRILL SHARPENER	13-18		11	2	520	07	09	
04-15-071	ENGINE LATHE OPERATOR	25-30		15	3	520	09	11	13
30-12-405	EXPEDITER	25-30		12	3	520	06	08	10
03-17-046	FORGE BENDER ROLLER	31-36		17	3	520	11	13	15
22-13-354	FORMING MACHINE OPERATOR	13-18		13	2	520	09	11	
03-09-009	GRINDER	7-12	09	1	520	07			
03-10-041	GRINDING MANIPULATOR OPER.	7-12	10	1	520	08			
03-16-043-2	HEAT TREATING EQUIP. ATT. LEVEL 2	13-18		16	2	520	11	13	
03-13-043-1	HEAT TREATING EQUIP. ATT. LEVEL 1	7-12	13	1	520	11			
27-16-382	INSPECTOR N.D.E.	31-36		16	3	520	10	12	14
27-17-385	INSPECTOR RT	25-30		17	3	520	11	13	15
21-15-330-2	MACHINE OP. - HEADER SHOP LEVEL 2	25-30	15	3	520	09	11	13	
21-12-330-1	MACHINE OP. - HEADER SHOP LEVEL 1	19-24	12	2	520	08	10		
22-09-350	MACHINE OP. - MACHINE SHOP	7-12	09	1	520	07			
21-13-326	MACHINE OPERATOR - TUBE SHOP	13-18		13	2	520	09	11	
19-14-251-3	MATERIAL HANDLER TRAFFIC LEVEL 3	19-24		14	3	520	08	10	12
19-13-251-2	MATERIAL HANDLER TRAFFIC LEVEL 2	13-18		13	2	520	09	11	
19-11-251-1	MATERIAL HANDLER TRAFFIC LEVEL 1	7 - 12		11	2	520	07	09	
03-13-044	MATERIAL MOVEMAN (BOILER SHOP)	13-18		13	2	520	09	11	
04-10-053	MATERIAL MOVEMAN (MACHINE SHOP)	7-12	10	1	520	08			
21-15-321	MEMBRANE/FIN WELDER	13-18		15	3	520	09	11	13
03-14-030	OVERLAY WELDER	19-24		14	3	520	08	10	12
30-11-423	PAINT BOOTH OPERATOR	7-12	11	1	520	09			
17-08-211	PRODUCTION CLERK	13-18		08	2	520	04	06	
04-12-055	RADIAL DRILL OPERATOR	19-24		12	3	520	06	08	10
19-10-210	RECEIVER/STORES ATTENDANT	7-12	10	1	520	08			
21-15-325	SEMI-AUTOMATIC TUBE BUTT WELDER	25-30	15	3	520	09	11	13	
19-14-245	SHIPPPER/PACKER	25-30		14	3	520	08	10	12
03-08-001	SHOT BLASTER	7-12	08	1	520	06			
03-15-004	SUBMERGED ARC WELDER	19-24		15	3	520	09	11	13
27-13-395	TESTMAN N.D.E.	19-24		13	3	520	07	09	11

**APPENDIX "B"
LEARNER PERIODS
CLASSIFICATION ANALYSIS**

JOBS REQUIRING LEARNER RATES		HOURS & JOB CLASS FOR LEARNING PERIOD							
PLANT CODE	JOB TITLE	NO. OF MONTHS FACT.2	JOB CLASS	LEARNER PERIODS	HOURS	1ST PERIODS	2ND PERIODS	3RD PERIODS	
27-14-386	TESTMAN R.T.	19-24		14	3	520	08	10	12
08-15-166	TOOL & CUTTER GRINDER/HEAT TREATER	19-24		15	3	520	09	11	13
08-11-167	TOOLING CO-ORDINATOR	19-24		11	3	520	05	07	09
04-17-169	TOOLING CO-ORDINATOR MACHINE SHOP	37-48		17	3	520	11	13	15
21-13-162	TOOL REPAIR/CRIB ATTENDANT	19-24		13	3	520	07	09	11
03-12-034	TUBE ASSEMBLER (BOILER, CLEAN ROOM)	13-18		12	2	520	08	10	
21-17-283-3	TUBE PREPARATION LEVEL 3	31-36		17	3	520	08	10	12
21-15-283-2	TUBE PREPARATION LEVEL 2	25-30		15	3	520	07	09	11
21-09-283-1	TUBE PREPARATION LEVEL 1	7-12	09	1	520	07			
30-18-401	FITTER WELDER	37-48		18	3	1040	12	14	16
30-17-401	FITTER	31-36		17	3	1040	11	13	15
27-17-387	FABRICATION INSPECTOR	37-48		17	3	1040	11	13	15
21-18-293	LAYOUT MAN TUBE ASSEMBLY/HEADERS	37-48		18	3	1040	12	14	16
22-18-353	LAYOUT DEVELOPER	37-48		18	3	1040	12	14	16
03-15-027	MACHINE GTAW	19-24		15	3	1040	09	11	13
27-17-390	MACHINE SHOP INSPECTOR	37-48	17	3	1040	11	13	15	
21-16-289	PRODUCTION DETAILER	37-48		16	3	1040	10	12	14
21-18-318	TUBE FITTER/FORMING MACHINE OP.	37-48		18	3	1040	12	14	16
30-15-406	WELDER A.P.	31-36		15	3	1040	09	11	13
30-17-420	WELDER RT-UT STANDARD	37-48		17	3	1040	11	13	15
30-21-422	WELDING SPECIALIST	37-48		21	3	1040	15	17	19
30-20-419	WELDER SPECIAL PROCESSES	37-48		20	3	1040	14	16	18

The Learner "Grouped" Jobs which would normally appear in the Agreement were not ready at time of printing. The Company and the Union will continue to work on this list.

APPENDIX "C"

STANDARD HOURLY WAGE SCALE

JOB CLASS 1/02	SEPT. 1/03	SEPT. 1/04	SEPT. 1/04
1	\$14.12	\$14.54	\$14.98
2	\$14.75	\$15.19	\$15.65
3	\$15.35	\$15.81	\$16.28
4	\$15.95	\$16.43	\$16.93
5	\$16.56	\$17.06	\$17.57
6	\$17.18	\$17.70	\$18.23
7	\$17.82	\$18.35	\$18.90
8	\$18.44	\$18.99	\$19.56
9	\$19.07	\$19.64	\$20.23
10	\$19.71	\$20.31	\$20.91
11	\$20.37	\$20.98	\$21.61
12	\$21.02	\$21.65	\$22.30
13	\$21.67	\$22.32	\$22.99
14	\$22.33	\$23.00	\$23.69
15	\$23.01	\$23.70	\$24.41
16	\$23.70	\$24.41	\$25.14
17	\$24.37	\$25.10	\$25.85
18	\$25.05	\$25.80	\$26.58
19	\$25.75	\$26.52	\$27.32
20	\$26.45	\$27.24	\$28.06
21	\$27.17	\$27.99	\$28.83
22	\$27.87	\$28.71	\$29.57
23	\$28.58	\$29.44	\$30.32
24	\$29.31	\$30.19	\$31.10
25	\$30.02	\$30.93	\$31.85

APPENDIX "D"

TO: BABCOCK & WILCOX CANADA
CAMBRIDGE, ONTARIO.

APPLICATION FORM FOR
DEDUCTION
OF UNION INITIATION FEE

I, _____,

hereby authorize and direct the Company to deduct from the next pay following receipt of this application, an amount of money equal to the initiation fee of the United Steelworkers of America, Local 2859, whose receipt shall be considered as a sufficient discharge to the Company for the amount deducted from my earnings.

I agree to keep the Company harmless from all deductions and payments.

I understand that this authorization is binding upon me subject to the terms of the Agreement between Babcock & Wilcox Canada and the United Steelworkers of America.

Signature _____

Clock No. _____

Home Address _____

Department _____

Date _____

To be made out in quadruplicate -
Original and one copy to Personnel Department. Copies to Union and Employee.

APPENDIX "E"

APPRENTICESHIP PLAN

1. The following standards of apprenticeship covering the employment and training of apprentices in the trades included in these standards have been agreed to by the Company and the Union. The standards and their application will be under the supervision of the Apprenticeship Committee representing the Company and the Union.

2. In these standards:

a) "Registration Agency" shall mean Ontario Training and Adjustment Board - Apprenticeship and Client Services Branch.

b) "Apprenticeship Agreement" shall mean a written agreement or contract between the Company and the person employed as an apprentice, which agreement or contract shall be approved by the Apprenticeship Committee and registered with the Registration Agency.

c) "Apprentice" shall mean a person who is engaged in learning or assisting in the trade to which he has been assigned under these standards and who is covered by a written agreement or contract with the Company providing for his training in accordance with these standards of apprenticeship and who is registered with the Registration Agency.

d) "Committee" shall mean the Apprenticeship Committee.

e) "Training and Development" shall mean a unit within Human Resources of the Projects and Manufacturing Division.

f) "Supervisor", or his designated representative, shall mean the person employed by the Company assigned the responsibility of performing the duties outlined in these standards of apprenticeship.

g) "Standards of Apprenticeship" shall mean this entire Apprenticeship Plan, including these definitions.

3. The Apprenticeship Plan will provide for training in the skilled trades which have been designed by Training and Development (T&D) as being appropriate for inclusion in the Apprenticeship Plan. Those classifications with an apprenticeship program will be excluded from also having a learner program in that classification.

4. This apprenticeship program will be known as the Babcock & Wilcox Canada, U.S.W.A. (Local 2859) Apprenticeship Plan.

5. (i) The Committee shall consist of seven members, three of whom will be appointed by and represent the Company and three of whom will be appointed by and represent the Union. The seventh member will be the Human Resources Specialist and he will act as Chairman, who, in the case of a tie vote will cast the tie-breaking vote. A quorum will consist of four members with two representing the Company and two representing the Union. The Committee will meet at least once every three months or on call of the Chairman.

(ii) Each of the three Union members of the Committee shall, upon properly requesting of his Supervisor when it becomes necessary to leave his job, be accorded the privilege of leaving his work

to promptly perform specific duly authorized duties, hereinafter listed, of the Committee without loss of pay, on the understanding that this privilege will not be abused and that each will continue to work at assigned jobs at all times not required for the performance of such duties.

(iii) It shall be the duty of the Committee:

- a) To offer constructive suggestions for the improvement of the Apprenticeship Plan.
- b) To formulate schedules of work experience for all apprenticeship trades.
- c) To determine whether the apprentice's scheduled wage increase shall be withheld in the event that he is delinquent in his progress.
- d) To hear and discuss all questions involving the apprentices under these standards which relate to their apprenticeship.

6. An apprentice will be trained in accordance with the in-plant schedule of shop training and, in addition, each apprentice will be required during the period of this apprenticeship to successfully complete a program of related training. This related training will be provided off company premises and after the normal working day or through a block release program.

7. An apprentice working the second shift who is required to take related training which conflicts with his work schedule, will inform his Supervisor in advance and be permitted to leave his job in the required amount of time as agreed with his Supervisor, to attend his related training and must return after completion within a similar agreed length of time. The Company will continue to pay the apprentice's rate for such activity within the above limits.

8. Employees, who are given credit for previous experience upon entering the Apprenticeship Plan, will be paid the wage rate to which such credit entitles them. Furthermore, the schedule of related training may be modified to credit certain courses that are required of an employee's related training, if he successfully completed such courses and such courses are acceptable to the registration agency.

9. (i) Apprentices will be under the general direction of T & D and under the immediate direction of the Supervisor of the area to which he is assigned.

(ii) T & D is authorized to move apprentices from one department to another in accordance with the predetermined schedule of shop training. This includes scheduling the designated apprentices on the shift selected for training including scheduling on the day shift for the first full year of apprenticeship training.

(iii) T & D, in consultation with the Committee, will prepare adequate record forms to be filled in by the Supervisor under whom the apprentice receives direct instruction and experience. Supervisors will make a report at the end of each rotational assignment or at least every three months to T & D on the work and progress of the apprentices. These reports will be submitted to the Committee for discussion. Such reports will be given to the apprentices affected after review by T & D and the Committee.

(iv) If T & D finds that an apprentice shows a lack of interest or does not have the ability to become a competent journeyman, T & D will place all the facts in the case before the Committee for review. Under these circumstances the Committee, in conjunction with T & D, will decide whether an apprentice may be permitted to continue in probationary status and/or suffer a loss of wages, requested to repeat a specified process or series of processes or his training may be terminated. T &

D will give the decision of the Committee and their reasons, in writing to the apprentice.

(v) T & D will have ultimate authority to determine whether an apprentice be placed on probation or be removed from the Apprenticeship Plan for such causes as:

- a) Inability to learn
- b) Unsatisfactory work
- c) Lack of interest in his work or education

10. It will be the obligation of an Apprentice:

- a) to provide his Supervisor satisfactory reasons for any absence from his employment;
- b) to attend regularly and succeed at all formal training classes as required at a community college;
- c) to purchase progressively the standard tools required of a journeyman in that trade;
- d) to maintain a willingness to learn and to be mentally and physically fit and be able to apply the knowledge in a constructive manner on a continual basis.

11. Apprentices will be paid a percentage of the journeyman's rate in the trade in which they are indentured according to the following formula effective the beginning of the first period commencing on or after date of ratification.

Apprentice Hour Rate Formula

Shop Periods	Shop Rates*
0 - 1000 shop hours	60%
1001 - 2000	65%
2001 - 3000	70%
3001 - 4000	75%
4001 - 5000	80%
5001 - 6000	85%
6000	90%

* These shop rates are based on a percentage of a journeyman's maximum classification rate.

The above Apprentice Hour Rate Formula is determined in accordance with the hourly rates established in the current collective agreement.

12. Apprentices with 4001 and more hours will be allowed to work overtime along with all journeymen in the classification they are apprenticed. Apprentices with less than 4000 hours will be asked for overtime after all Journeymen have been asked. However, all overtime worked will be treated as straight time for purposes of completing the apprenticeship contract.

13. (i) Applications for apprenticeship will be received by Human Resources from employees completing an "Application for Job Change" form.

(ii) In the event that no employee qualifies or expresses interest in apprenticing for a particular skilled trade, T & D will review external job applications for such purpose.

(iii) Preference will be given to employees who qualify. Applicants must be educated to the standards of Grade 12 (Ontario) or to the equivalent standard for graduation from a vocational school and must show aptitude for one of the skilled trades being taught.

(iv) Applicants shall meet the physical requirements of the Company.

(v) Applicants shall satisfactorily pass the required Apprentice Selection Process.

14. During the first three months worked under the Apprenticeship Plan an employee will be considered on probation before entering into any apprenticeship agreement or contract. Any hours worked during this probationary period will be counted for shop hours as part of the apprenticeship program if the employee is accepted by the Committee into the program.

15. The number of apprentices to journeymen shall not exceed one apprentice for every seven journeymen. If the number of journeymen in a classification is less than seven, the Company may maintain one apprentice, provided there is at least one journeyman in that classification.

16. Each apprentice will supply at his own expense the tools necessary for the successful completion of apprenticeship. After being accepted into the Apprenticeship Plan each apprentice shall receive a \$200.00 tool allowance and an appropriate tool box provided by the Company. Employees who already possess an appropriate tool box shall receive an additional tool allowance equal to the value of the tool box. Upon successful completion of the apprenticeship program, the employee will retain the tool box and shall receive an additional \$200.00 tool allowance. An apprentice may reimburse the Company through payroll deduction for additional tools he may purchase through the Company.

17. Any apprentice who is required to complete his related training in a scheduled 8 week block release period will be paid their regular apprentice hourly rate over the entire block release period. Employees will be reimbursed for all mileage, at the rate of \$0.32 per kilometre to and from the training centre. Employees requiring food and overnight lodging while attending scheduled classes will be allowed \$40.00 for food and the Company shall arrange and pay for accommodation.

18. (i) Upon satisfactory completion of the requirements called for in the Apprenticeship Plan, the apprentice will receive written confirmation from T & D stating the trade at which he has worked and certifying that he had completed his apprenticeship. The Registration Agency will be notified when the Apprentice has completed his apprenticeship in order that the agency can complete his certification.

(ii) Every effort will be made, upon successful completion of apprenticeship, to place the apprentice in work in his trade, at the rate of pay for a journeyman on the work he is performing. This will, however, depend upon the requirements of the Company at that time and upon his seniority and ability to perform available work, in accordance with the seniority provisions of the collective agreement.

19. (i) In the event an apprentice is laid-off prior to the completion of his training in a trade as a result of a change in requirements for apprentices or because of the application of the ratio of apprentices to journeymen, he may, having due regard to his seniority, be employed in a classification of work which he is able and willing to do, in accordance with the seniority provisions of the Collective Agreement.

(ii) An apprentice who has been laid-off will, whether he has been subsequently employed within the bargaining unit or not, be eligible for re-entry into the apprenticeship Plan when there is an increase in the number of apprentices in his trade, subject to his time served in the Apprenticeship Plan.

20. All apprentices will be registered with the Registration Agency and the appropriate educational institute. The Company will pay on behalf of apprentices covered by this Apprenticeship Plan, registration fees and/or tuition required in connection with related instruction under the Apprenticeship Plan.

21. Individuals may be selected to serve as apprentices for the purpose of developing skilled journeymen in the following trades:

- Industrial Electrician
- Industrial Mechanic (Millwright)
- General Machinist
- Machine Fitter

APPENDIX "F"

JOB CLASSIFICATIONS

JOB CLASSIFICATION	JOB CODE	CLASS
Automatic Cut-off Operator	21-12-276	12
Auto Gun Multiple Spindle	04-12-086	12
Burner Boiler	03-13-005	13
Co-ordinator Loading Operations	19-16-257	16
Crane Operator Pack Bending	21-10-327	10
Crane Operator Slinger	03-12-045	12
Crane Operator Slinger	21-09-291	09
Drill Sharpener	04-11-068	11
Electronic Repairman	09-23-194	23
Engine Lathe Operator	04-15-071	15
Expediter	30-12-405	12
Fabrication Inspector Level 1	27-17-387-1	17
Fabrication Inspector Level 2	27-18-387-2	18
Fabrication Inspector Level 3	27-19-387-3	19
Fitter	30-17-401	17
Fitter Welder	30-18-401	18
Forge Bender Roller	03-17-046	17
Forming Machine Operator	22-13-354	13
Grinder	03-09-009	09
Grinding Manipulator Operator	03-10-041	10
Heat Treating Equipment Attendant Level 1	03-13-043	13
Heat Treating Equipment Attendant Level 2	03-16-043	16
Helper General	03-06-410	06
Inspector N.D.E.	27-16-382	16
Inspector RT	27-17-385	17
Labourer (Shop)	21-02-411	02
Layout Developer	22-18-353	18
Layout Man Tube Assembly/Headers	21-18-293	18
Machine & Tool Fitter	09-19-195	19
Machine Fitter	04-18-054	18
Machine GTAW	03-15-027	15
Machine Operator Header Shop Level 1	21-12-330-1	12
Machine Operator Header Shop Level 2	21-15-330-2	15
Machine Operator Tube Shop	21-13-326	13
Machine Shop Inspector Level 1	27-17-390-1	17
Machine Shop Inspector Level 2	27-18-390-2	18
Machine Shop Inspector Level 3	27-19-390-3	19
Machinist	04-18-051	18
Machinist Tool Room	08-18-161	18
Maintenance Fitter	09-21-183	21
Material Handler Traffic Level 1	19-11-251-1	11
Material Handler Traffic Level 2	19-13-251-2	13
Material Handler Traffic Level 3	19-14-251-3	14
Material Move Man Boiler Shop	03-13-044	13
Material Move Man Machine Shop	04-10-053	10
Membrane/Fin Welder	21-15-321	15

Overlay Welder	03-14-030	14
Paint Booth Operator	30-11-423	11
Production Clerk (CDC)	17-08-211	08
Production Detailer	21-16-289	16
Quality Control Co-ordinator	27-14-399	14
Radial Drill Operator	04-12-055	12
Receiver/Stores Attendant	19-10-210	10
Semi-Automatic Tube Butt Welder	21-15-325	15
Shipper/Packer	19-14-245	14
Shot Blaster	03-08-001	08
Submerged Arc Welder	03-15-004	15
Testman N.D.E.	27-13-395	13
Testman R.T.	27-14-386	14
Tool & Cutter Grinder/Heat Treater	08-15-166	15
Tool Crib Attendant	08-06-164	06
Tool Repair/Crib Attendant	21-13-162	13
Tooling Co-ordinator	08-11-167	11
Tooling Co-ordinator Machine Shop	04-17-169	17
Tube Assembler Boiler, Clean Room	03-12-034	12
Tube Preparation Level 1	21-09-283-1	09
Tube Preparation Level 2	21-15-283-2	15
Tube Preparation Level 3	21-17-283-3	17
Tube Fitter/Forming Machine Operator	21-18-318	18
Welder A.P.	30-15-406	15
Welder R.T./U.T. Standards	30-17-420	17
Welder Special Processes	30-20-419	20
Welding Specialist	30-21-422	21

APPENDIX "G"

MEMORANDUM OF AGREEMENT

BETWEEN

BABCOCK & WILCOX CANADA

and

**UNITED STEELWORKERS OF AMERICA
LOCAL 2859**

This will confirm the Agreement of the parties to extend the Memorandum of Agreement dated September 9, 1987, under the following terms and conditions:

1. Either party shall have the right to discontinue the compressed work week at any time upon 30 days written notice.
2. Section 11 (Vacations) of the Memorandum of Agreement is amended as follows:

With respect to vacation entitlement for employees on the compressed work week, a week of vacation shall mean 40 hours. Partial weeks may be taken provided that at least 5 hours are taken at any time.
3. For purposes of determining whether hours worked on Friday will be paid at straight time or time and one half, vacation time taken Monday to Thursday will be considered as time worked.
4. In regard to employees on the Compressed Work Week, any reference in the Collective Agreement to a period of one or more days shall mean a period or periods of 8 hours and a period of one or more weeks shall mean a period or periods of 40 hours.
5. All other sections of the September 9, 1987, Memorandum of Agreement remain unchanged.
6. All other Articles of the Collective Agreement remain unchanged.

DATED AT CAMBRIDGE, ONTARIO THIS 15 TH DAY OF NOVEMBER, 1995.

FOR THE COMPANY

D.T. Butt
D.M. Sanderson

FOR THE UNION

D. Ladd
Roy McGuinness
Gerald Durnford
Frank Crystal

THE COMPRESSED WORK WEEK

1. It is understood and agreed that except as specifically provided herein, no additional premium, payment or cost of any kind whatsoever shall be borne by the Company as a result of the application of the Compressed Work Week, notwithstanding any other provisions of the Collective Agreement.

2. It is further understood and agreed that the application of the Compressed Work Week is subject to approval under the Employment Standards Act as required from time to time.

3. The standard working week for employees assigned to the Compressed Work week shall be forty hours per week on four consecutive days, Monday through Thursday, inclusive. The normal starting and finishing times for the Compressed Work Week shall be as follows:

3:15 p.m. to 1:15 a.m. including a fifteen (15) minute paid lunch period.

4. The Company agrees that the Compressed Work Week will replace the second or afternoon shift except where the Company in its absolute discretion deems it necessary to operate on a three-shift basis in which case the employees on the second shift of such three shift operation will be scheduled in accordance with Article 15.02(a) of the current Collective Agreement. The Company shall be permitted to schedule (8) or (10) hour shifts as required for (1) Machine Shop Inspector, (1) Fabrication Inspector, (1) Maintenance Mechanical Repairperson and (1) Maintenance Electrical Repairperson.

5. Overtime

Overtime for employees on the Compressed Work Week shall be paid by the Company at the rate of time and one-half for such hours as shall be authorized by the Company as follows:

a) For all hours worked by an employee in excess of ten hours in any one day, except as noted in Section 6(a) hereof;

b) For all hours worked by an employee on Friday after said employee has worked forty (40) hours between Monday and Friday.

Hours paid on Jury Duty, Crown Witness, Bereavement Leave, Vacation and Paid Holidays as well as hours spent on approved Leaves of Absence for Union business shall be included to determine the hours worked;

c) For all hours worked by an employee on Saturday.

6. Overtime for employees on the Compressed Work Week shall be paid by the Company at the rate of double time for such hours as shall be authorized by the Company as follows:

a) for all hours worked by an employee in excess of twelve hours per day;

b) for all hours worked by an employee on Sundays.

7. Paid Holidays

Subject to paragraph 6, any employee on the Compressed Work Week who is required to work on any of the holidays named in Article 21.01(a) shall be paid at a rate of one and one-half times his regular straight-time hourly rate in addition to any holiday pay to which he is entitled.

8. The Company agrees to pay to such employee on the Compressed Work Week paid holiday pay equal to ten hours' pay at his regular hourly rate including shift premium for ten hours, where such employee is not required to work on the holiday hereinbefore mentioned, provided the employee has completed his probationary period with the Company at the time the paid holiday occurs and is otherwise eligible for holiday payment per Article 21.03 of the Collective Agreement.

In the event that any of the holidays named in Article 21.01 of the Collective Agreement fall on a Friday, such holidays shall be observed on the preceding scheduled work day.

9. Notwithstanding Article 21.04 of the Collective Agreement, in the event that one or more of the holidays referred to in Article 21.01 of the Collective Agreement occur during the vacation of an employee on the Compressed Work Week, he shall be granted one (1) day off with ten (10) hours pay per paid Holiday, provided the employee qualified for Holiday Pay. Such lieu day(s) shall be observed at a time mutually agreed to between the Supervisor and the employee.

10. Article 8.07 of the Collective Agreement is hereby amended to provide that preference with respect to the Compressed Work Week may only be expressed once in every 12 week period. Employees assigned to the Compressed Work Week shall complete their assignment to the Compressed Work Week save and except in cases of mutual agreement between the employee's Steward and his Superintendent.

11. Vacations

With respect to vacation entitlement for employees scheduled on the Compressed Work Week, a week of vacation shall mean 40 hours. A partial week may be taken provided that at least 5 hours are taken at any time.

12. Bereavement, Jury Duty & Crown Witness

A day's pay for the purpose of time lost from regularly scheduled hours under Articles 9 and 10 of the Collective Agreement shall mean the equivalent of ten hours' pay at the employee's then regular straight-time hourly rate including shift premium.

13. Shift Premium

Shift premium shall be payable in accordance with Article 17 of the Collective Agreement for all hours worked by an employee on the Compressed Work Week.

14. In regard to employees on the Compressed Work Week, any reference in the Collective Agreement to a period of one or more days shall mean a period or periods of 8 hours and a period of one or more weeks shall mean a period or periods of 40 hours.

15. Either party shall have the right to discontinue the Compressed Work Week upon 30 days written notice. The discontinuance would then be effective at the end of the 12 week preference period following the 30 days.

16. Except as amended above, all other provisions of the Collective Agreement shall apply to employees on the Compressed Work Week subject to any appropriate changes.

APPENDIX K

**MEMORANDUM OF AGREEMENT
BETWEEN
BABCOCK & WILCOX CANADA
and
UNITED STEELWORKERS OF AMERICA
LOCAL 2859**

TRADE AND CRAFT - MACHINISTS

It is agreed between the Company and the Union that the following will apply to the trade and craft classification of Machinist:

1. The job class of the trade and craft job, Machinist, has been established for the Standard level at Job Class 20 by the Company and the Union C.W.S. Committees in accordance with the Manual and the Agreement. The Intermediate level will be job class 18. The Start level will be job class 15.
2. A Machinist will be paid job class 22 while operating the T.C. Bar or Mitsubishi.
3. Layoffs within the classification set out above will be according to Plant Seniority, provided that the Company retains the right to layoff a senior employee in the Start or Intermediate level where a layoff from a higher level would reduce the number of employees in that higher level to fewer than fourteen (14) employees. If such layoff results in all remaining employees within all three levels of a classification having ten (10) or more years of seniority, then any further layoffs will be according to the skill requirements of the Company.
4. In all cases of promotion (from start to intermediate or from intermediate to standard) to the next higher level of the classification the only criteria will be the ability of the employee to perform the duties of such level. It is the employee's responsibility to request to the next level. Any employee who completes the required courses and hours and has the skill and ability to perform the job at the higher level will be transferred to that level effective as of the date of his request or as of the date of completion, whichever is later.
5. Except as amended herein, all other provisions of the Collective Agreement shall apply.

**MEMORANDUM OF AGREEMENT
TRADE AND CRAFT – MAINTENANCE DEPARTMENT**

It is agreed between the Company and the Union that the following will apply to the trade and craft classifications within the maintenance department:

1. The C.W.S. Manual and the Collective Agreement between the parties are amended to include the jobs of Carpenter, Electronic Repairman, Maintenance Fitter and Motor Mechanic as trade and craft jobs.
2. The job class of each of the trade and craft jobs listed above will be established for the Standard level of each job by the Company and the Union C.W.S. Committees in accordance with the Manual and the Agreement. The Intermediate level of each job will be three (3) job classes below the Standard level. The Start level will be three (3) job classes below the Intermediate level.
3. Appendix "E" of the Collective Agreement is amended to provide for a ratio of apprentices to journeymen of one to three (1:3) for the Maintenance trade and craft jobs.
4. In determining the rate of pay for apprentices within the maintenance department the percentages set out in Appendix "E" will be applied to the rate of pay that the apprentice will receive once he/she has successfully completed the apprenticeship.
5. Each employee in the Start and Intermediate levels will be given a Journeyman Classification Record and a log book by the Company. It will be the employee's responsibility to complete the hours worked on the representative jobs and present them for signature by his/her Supervisor.
6. Layoffs within the classifications set out above will be according to Plant seniority, provided that the Company retains the right to layoff a senior employee in the Start or Intermediate level where a layoff from a higher level would reduce the number of employees in that higher level to fewer than two (2) employees. If such layoff results in all remaining employees within all three levels of a classification having ten (10) or more years of seniority, then any further layoffs will be according to the skill requirements of the Company.
7. In all cases of promotion (from Start to Intermediate or from Intermediate to Standard) to the next higher level of the classification the only criteria will be the ability of the employee to perform the job duties of such level. It is the employee's responsibility to request promotion to the next level. Any employee who completes the required courses and hours and has the skill and ability to perform the job at the higher level will be transferred at that level as of the date of his request or as of the date of completion, whichever is later. Any dispute as to the employee's qualifications will be resolved in accordance with the procedure set out in the Manual.
8. Except as mended herein all other provisions of the Collective Agreement shall apply to the employees in the Maintenance Department.

MEMORANDUM OF AGREEMENT WEEKEND SHIFT

The Parties agree to the following shift arrangement. This shift will commence on the weekend of January 4-5, 1997 and continue for a period of 90 days. It will continue automatically continue in effect unless either Party notifies the other of a desire to discontinue. Either Party shall have the right to discontinue the weekend shift upon 30 days written notice. The discontinuance shall then be effective at the end of the twelve-week shift preference period following the thirty days notice.

1. The hours of work for the weekend shift will be as follows:

4 th shift	11:00 P.M. Fri. to 11:00 A.M. Sat. 11:00 P.M. Sat. to 11:00 A.M. Sun.
5 th shift	11:00 A.M. to 11:00 P.M. Sat. 11:00 A.M. to 11:00 P.M. Sun.
2. This shift shall apply only to personnel assigned to Nuclear work in the Boiler Shop, Machine Shop and Clean Room.
3. The fourth and fifth shifts will be equal in number of employees. The total number of employees on the fourth and fifth shifts will not exceed the total number of employees on the midnight shift. Any exceptions will be by mutual agreement.
4. The Company shall schedule two ten minute breaks and two fifteen minute breaks during each twelve hour shift.
5. Employees who complete 24 hours worked on the weekend shift will be paid 40 hours pay at the rate set out in the Agreement for the job class of the job they are performing. Any employee who works less than 24 hours will have their pay prorated according the number of hours actually worked.
 - i.e. Employee who works 12 hours on Saturday and 10 hours on Sunday for a total of 22 hours would be paid $22/24$ of 40 or $36 \frac{2}{3}$ hours pay.
6. All hours worked in excess of 12 hours on Saturday or 12 hours on Sunday by weekend shift employees will be paid at double time rates.
7. Any overtime work performed Monday to Friday by weekend shift employees will be paid at time and one half. Weekend shift employees may work a maximum of 12 hours.
8. Article 16.06 b) will not apply to weekend shift employees. Preference for all overtime will be given to employees who normally perform work Monday through Friday.
9. Vacation entitlement will be in accordance with Article 22 of the Collective Agreement. Each two-day weekend shift taken as vacation is equivalent to one week of vacation. Vacation must be taken in full 12 hour shifts which equal 20 hours vacation. Shop shutdown for weekend shift employees will include the two weekends immediately preceding the Civic Holiday.
10. Paid holiday pay will be paid at 8 hours straight time pay and will be paid during the next pay period following the Holiday. The Christmas holiday schedule will be mutually agreed between the Parties.
11. For the purpose of this Agreement the weekend shift is equal to five working days for the

purpose of eligibility for benefits and pension. The Weekly Indemnity waiting period for weekend shift workers will be three consecutive days, one of which will include a shift which would normally be worked by the weekend employee.

12. Bereavement leave will be two shifts provided the funeral is on Friday, Saturday, Sunday or Monday. Bereavement pay will be up to 24 hours pay.
13. Shift preference will be exercised for the weekend shift on a twelve-week cycle as per Appendix "G".
14. Reporting allowance per article 18 of the Collective Agreement shall be at the rate of 10 hours pay for weekend shift workers.
15. Jury Duty for weekend shift workers who are sequestered and unable to report for work will be the difference between their normal weekend pay of 20 hours per shift and the payment received for such service. Any weekend shift employee who performs jury duty on Friday would be entitled to the above pay (20 hours) for the Saturday weekend shift only.
16. Except as amended above, all other provisions of the Collective Agreement shall apply to employees on the weekend shift subject to appropriate changes.

SCHEDULE "A"

JOB POOL

JC11	MATERIAL HANDLER-TRAFFIC LEVEL 1 (Material Handler)
JC10	MATERIAL MOVE MAN (Machine Shop)
JC9	CRANE OPERATOR SLINGER (Tube Shop)
JC9	SPRAY PAINTER
JC9	TUBE PREPARATION LEVEL 1 (Utility Man Tube Shop)
JC8	PRODUCTION CLERK
JC10	RECEIVER/STORES ATTENDANT
JC8	RECORDS CLERK
JC8	SHOT BLASTER
JC2	LABOURER
JC6	HELPER GENERAL
JC9	UTILITY MAN MACHINE SHOP
JC9	UTILITY MAN HEADER SHOP
JC6	TOOL CRIB ATTENDANT
JC9	GRINDER
JC11	TOOL COORDINATOR

Article 8.10: shall apply to Employees displacing into the Job Pool.

In the event an employee is unsuccessful and removed from a job in Schedule "A" and a dispute results, it will be resolved using the following procedure:

1. A Representative of the company and a Representative of the Union will meet as soon as possible in an attempt to resolve the dispute in a mutually satisfactory manner.
2. If no agreement is reached the parties agree to arbitration under Section 46 of the OLRA. The Parties agree that the Arbitrator shall give a verbal decision immediately. Such decision will be final and binding on both parties.