

COLLECTIVE AGREEMENT

Between



OEM REMANUFACTURING
A Finning Enterprise

And



LOGISTICS, MANUFACTURING AND
ALLIED TRADES UNION, CLAC LOCAL 56

January 1, 2015 – December 31, 2017

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COLLECTIVE AGREEMENT

BETWEEN: OEM REMANUFACTURING
A Finning Enterprise
hereinafter referred to as “the Employer”

- AND –

LOGISTICS, MANUFACTURING AND ALLIED TRADES
UNION. CLAC LOCAL 56
hereinafter referred to as “the Union”

January 1, 2015 – December 31, 2017

ARTICLE 1 - PREAMBLE

1.01 OEM Remanufacturing A Finning Enterprise, is dedicated to achieving the highest levels of customer satisfaction, validated by systematic feedback, through the consistent delivery of quality products and services while operating with a positive corporate culture, safe workplace conditions and respect for the environment.

The Employer’s commitment is to provide the industry with competitively priced products that are consistently delivered on promised dates. While fulfilling the expectations of our customers, we are also committed to our Employees’ welfare and training requirements.

Further, the Employer is focused on continually striving to improve the quality of the products and services we supply.

The parties acknowledge this objective can only be achieved when harmonious relationships exist between the Employer and the Employees.

It is recognized that the Employer, Employees and the Union share a common interest in the success of the business and agree to work together in a conscious effort to promote trust, respect and mutual well-being in the context of a team. It is the intent and purpose of this collective agreement to define certain respective rights and responsibilities and working conditions in support of that common interest.

Now therefore, the parties hereto agree as follows:

ARTICLE 2 - RECOGNITION

- 2.01 The Employer recognizes the Union as the sole bargaining agent for all Employees in the bargaining unit as defined in Certificate Number BR-14523 issued by the Alberta Labour Relations Board, dated June 13, 2011.
- 2.02 This Agreement covers all Employees working in classifications listed in Schedule "A" attached, and such other Employees as the parties may agree to include.
- 2.03 This Agreement can be changed by any mutual agreement in writing between the parties.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union recognizes the right of the Employer to operate and manage its business in all respects, subject only to express restrictions contained in this agreement. This will include, but will not be limited to:
- b. the right: to maintain order, discipline and efficiency; to make, alter and enforce rules and regulations, policies and practices to be adhered to by its Employees.
 - c. the right: to select, hire and direct the work force; to transfer, assign, promote, demote, classify, temporarily lay off, recall and suspend Employees; to determine the competency and qualification of Employees; to select and retain Employees for positions excluded from the bargaining unit.
 - d. the right: to operate and manage the Employer's business in order to satisfy its commitments and responsibilities. The right to determine the kind and location of business to be done by the Employer, the direction of the working forces, the scheduling of work, the number of shifts, the methods, processes and means by which work is to be performed, job content, quality and quantity standards, the right to use improved methods, machinery, and equipment, the right to determine the number of Employees needed by the Employer at any time and generally, the right to manage the business of the Employer, and to plan, direct and control the operations of the Employer, without interference.

- 3.02 It is recognized that from time to time non-bargaining unit employees may perform work similar to that of the bargaining unit for the purposes of training and process improvement. Except in these cases, the Employer will not assign bargaining unit work outside of the bargaining unit.

ARTICLE 4 - UNION REPRESENTATION

- 4.01 For the purpose of representation with the Employer, the Union will function and be recognized as follows:

- a. The Union has the right to select or appoint a Chief Union Steward and Union Stewards to assist Employees in presenting any complaints or grievances to representatives of the Employer and to enforce and administer the Collective Agreement. The number of Stewards will not exceed a maximum of six (6) with a minimum of one (1) on each shift. The Union will advise the Employer, in writing, of the names of the Stewards.

The Union agrees that a maximum of one (1) Team Leader may be appointed as a Union Steward and that only one (1) Union Steward may be appointed per job classification.

The Employer recognizes that when Stewards are acting on behalf of the Union or any of its members, that they are talking to management as representatives of Local 56. The relationship is one of equals, not that of a subordinate talking to a supervisor.

The Chief Union Steward shall be the last Employee remaining on the job within the scope of this agreement.

b. Duly appointed Representatives of the Christian Labour Association of Canada are representatives of the Employees in all matters pertaining to this Agreement, particularly for the purpose of processing grievances, negotiating amendments to and renewals of this Agreement and enforcing the Employees' collective bargaining rights as well as any other rights under this Agreement and under the law. Union Stewards will not act in this capacity. The Union will advise the Employer, in writing, of the names of its duly appointed Representatives.

4.02 The Union acknowledges that Stewards have regular duties to perform as Employees of the Employer and those Employees will not leave their regular duties for the purpose of conducting business in connection with the administration of the Agreement or the investigation or presentation of grievances, without first notifying their immediate Supervisor or designate. The Employer will pay Stewards at their regular hourly rate for time spent attending to such duties. Where ever possible, these functions will be carried out by the Chief Steward.

4.03 Representatives of the Union will have access to visit job sites during normal working hours subject to the following:

- a. Permission will first be obtained from the Employer. Such permission will not be unreasonably withheld.
- b. The Union Representative will identify himself to the Supervisor upon arriving at the workplace.
- c. In no case will the Union Representative interfere with the progress of work.

- 4.04 The Union has the right to appoint up to four (4) members to a negotiating committee, conditional that no more than one (1) employee is from the same job classification. Employees on the committee will be paid their basic rate of pay for all hours spent negotiating a Collective Agreement up to a maximum of one hundred (100) hours whenever this takes place during the regular working hours of the Employee. Members of the negotiating committee, meeting with the Union in preparation for negotiations will be granted reasonable time off without pay.
- 4.05 Neither the Employer nor the Union will compel Employees to join the Union. The Employer will not discriminate against any Employee because of Union membership or lack of it, and will inform all new Employees of the contractual relationship between the Employer and the Union. Before commencing work, any new Employee will be referred by the Employer to a Steward or a CLAC Representative in order to give such Steward or CLAC Representative an opportunity to describe the Union purpose and representation policies to the new Employee. Stewards will be granted fifteen (15) minutes of paid time at regular rates for this purpose.
- 4.06 The Union agrees that it will make membership in the Union available to all Employees covered by this Agreement on the same terms and conditions as are applicable to other members of the Union.

4.07 The Union has a conscientious objection policy for Employees who cannot support the Union with their dues for conscientious reasons, as determined by the Union's internal guidelines on what constitutes a conscientious objection.

Employees with such a conscientious objection to supporting the Union may indicate this to the Union in writing, and successful applicants will have the amount equal to Union dues sent to a charitable organization.

4.08 The Employer agrees to provide adequate space, in a permanent location acceptable to the Union, for a bulletin board. The Union agrees to remove material which the Employer considers objectionable.

4.09 With mutual agreement between the parties, the Employer agrees to allow the Union the use of their premises to conduct ad hoc Union business (annual general meetings, votes, etc) at a time convenient to both parties.

ARTICLE 5 - STRIKES AND LOCKOUTS

5.01 During the term of this Agreement, or while negotiations for a further agreement are being held, the Union will not permit or encourage any strike, slowdown, or any stoppage of work or other restriction or interference with the Employer's operation through the Employees in the bargaining unit, and the Employer will not engage in any lockout of its Employees or reduce hours except for business requirements.

ARTICLE 6 - DUES DEDUCTIONS

- 6.01 The Employer is authorized to and will deduct from each Employee's pay the amount equal to the Union dues, and where applicable, an amount equal to Union dues arrears or Union initiation fees, effective from the start of employment. Such deductions will be a condition of employment and will be an amount set by the CLAC National Convention.
- 6.02 The total amount deducted will be turned over to the Union's provincial office each month, within two (2) weeks of period end, together with an itemized list of the Employees for whom the deductions are made, the amount deducted for each, and the Employee's identification number. The Union and the Employee agree that the Employer will be saved harmless for all deductions and payments so made.
- 6.03 The Union will promptly notify the Employer, in writing, over the signature of its designated officer, the amount of the deduction to be made by the Employer for regular Union dues and initiation fees. The Employer will have the right to continue to rely on such written notification from the Union.
- 6.04 The Employer will provide the Union with information regarding job classification changes and terminations. The name, address, date of hire, and classification of new Employees will be provided to the Union once monthly.

ARTICLE 7 - PROBATIONARY PERIOD

- 7.01 While on probation, Employees may be discharged by the Employer without recourse to the grievance or arbitration sections of this Agreement. Upon request from the Union Representative, the Human Resources Representative will discuss the reason for the probationary Employee's release.
- 7.02 A newly hired regular Employee will serve a probationary period of six (6) calendar months. The Employer will complete a performance appraisal after three (3) months with another appraisal at the end of the six (6) month period.
- 7.03 Hours worked as a temporary Employee will not count toward completion of a probationary period.
- 7.04 Each full day of absence from work for any reason during the probationary period will extend the probationary period by one (1) day.
- 7.05 Notwithstanding Article 7.02, the probationary period may be extended by mutual agreement in writing between the Employer, the Union, and the Employee. However, the total probationary period will not exceed twelve (12) months. Prior to the extension of a probationary period, the Employer will complete a performance appraisal, outlining areas where the Employee must demonstrate improved performance.

ARTICLE 8 - DEFINITION OF EMPLOYEE

- 8.01 Full-time Employee means any Employee who regularly works forty (40) hours per week.

8.02 Part-time Employee means a regular Employee who works less than forty (40) hours per week, but must be scheduled a minimum of twenty (20) hours per week. Part time employees will be given a schedule a minimum of seven (7) days in advance. Part-time Employees will be entitled to compensation on a pro-rated basis under the terms of this Agreement unless the parties agree otherwise. Part-time employees may be called in for additional unscheduled shift(s). Part-time employees will not be employed to reduce the number of Full-time employees.

8.03 Casual employees are employees hired to carry out work assignments without a regularly scheduled shift pattern, and may be called for shifts with minimal notice. Casual employees will not be employed to reduce the number of Full-time or Part-time employees.

Part-time employees will be called in before Casual employees.

8.04 Temporary Employee means a person hired with the expectation that their employment will be temporary. They may be either Part-time or Full-time as per articles 8.01 and 8.02 with the exception that they will have a specific employment end date. Temporary Employees will not be employed to reduce the number of Full-time or Part-time employees.

Temporary Employees will be covered under the terms of this Agreement except for:

- Article 7 Probationary Period
- Article 13 Annual Vacations and Vacation Pay
- Article 14 Length of Service
- Article 15 Lay Off and Termination of Employment
- Article 16 Recall
- Article 18 Technological and Mechanical Change
- Articles 20.01, 20.03, & 20.04 Tools and Equipment
- Article 22 Benefit Plans
- Article 24 Pay Provisions for Employees Absent from Duty
- Article 27 Grievance Procedure and Article 28 Arbitration will not apply in the event of termination of employment. The Employer is entitled to cease using a temporary Employee in its discretion at any time.

Temporary Employees will receive four percent (4.0%) in addition to their basic hourly wages on each pay in lieu of the provisions in Article 13 – Annual Vacation and Vacation Pay.

ARTICLE 9 - CLASSIFICATION AND WAGE RATES

9.01 All bargaining unit employees will be compensated based on Schedule “A” of this Collective Agreement.

9.02

- a. The Company will develop and maintain a Job Classification and Skill Level Policy (Job Classifications and Skill Levels Document) which reflects the required skills necessary for an employee to achieve their next pay level. Employees may be required to perform tasks above and beyond those listed in the document.
- b. Development and revisions to the Job Classification and Skill Level Document will include input from Team Leaders in various departments.
- c. The Job Classification and Skill Level Document will be reviewed once per year to ensure it accurately reflects the skills necessary for the levels. This does not prevent the Company from revising the Skills Document more than once per year, when there are changes to the requirements of the classification.

9.03 Employees who believe they have attained the requirements of the next level in their classification may apply for advancement through the Level Challenge Process. The Company, with input from the employees Team Leader(s) will review the employees skills based on the criteria in the Job Classifications and Skill Levels Document. The Skills Document will be written to ensure that all levels within a product line(department) will be attainable; understanding that employee training is dependent upon business needs.

9.04 Additional classifications may be established by the Employer during the term of this Agreement, and the wage rates for those new classifications will be subject to negotiations between the Employer and the Union; and the Job Classifications and Skill Level Document will be revised in accordance with 9.02 above.

ARTICLE 10 - HOURS OF WORK AND OVERTIME

It is recognized that the business of the Employer is conducted twenty-four (24) hours per day, seven (7) days per week, and Employees will be scheduled to work shifts to accommodate the demands of business.

- 10.01 Normal hours of work for full time Employees will be forty (40) hours per week, and eighty (80) hours per pay period. The Employer may institute a compressed work week.

The regular full time shift schedule in place as of January 1, 2015 will not be altered except under the provisions of 10.02.

The Union will be notified of any adjustments to the shift times that extend beyond one week.

- 10.02 The Employer may introduce additional shift patterns provided the requirements of Letter of Understanding #1 have been met.

- 10.03 An Employee who reports to work when scheduled without having been notified that there is no work available, and who is sent home because of lack of work, will receive a minimum of three (3) hours pay for that day.

- 10.04 An Employee who commences work and is prevented from completing their scheduled shift because of a lack of work will receive a minimum of four (4) hours pay for that day.

10.05

- a. All “Hours Worked” in excess of the scheduled daily hours (in the case of full time Employees), or more than ten (10) hours per day for all other Employees, and hours worked in excess of forty (40) hours per week, but less than fifty-two (52) hours per week, will be paid at the overtime rate of time-and-a-half (1.5x) their basic hourly rate of pay. Overtime hours worked beyond twelve (12) hours per week will be paid at two times (2x) their regular hourly rate.
- b. “Hours Worked” will be defined as hours physically worked by an employee, scheduled vacation (that is submitted and approved by management prior to the vacation occurrence) or scheduled statutory holidays. Hours worked are eligible to supplement a regular 40 hour work week for overtime calculation purposes.
- c. “Non-Hours Worked” will be defined as hours not physically worked by an employee, banked time, sick time, bereavement leave, and flex time. Non hours worked are not eligible to supplement a regular 40 hour work week for overtime calculation purposes.
- d. Overtime will be calculated after 40 hours have been worked in a work week. A work week starts on Monday and ends on Sunday.

- 10.06 At the time the employee is required or requested to work overtime, the employee must advise the employer whether he is opting for banking time off. Overtime submitted without reference on the time sheet to banking the time will be paid out.
- a. A maximum value of eighty (80) straight time hours may be held in an employee's overtime bank at any time. Overtime hours will be banked at overtime rates. (ie. 1 O.T. hours = 1.5 or 2 hours of paid time off, as applicable).
 - b. The Employer will make reasonable effort to allow time off when requested by the Employee, but such time must be taken consistent with the efficient operation of the Company; and unused banked overtime will be paid out at the value at which it was earned.
- 10.07 Employees who report to work as a result of a call out to work by their Supervisor will be paid for a minimum of three (3) hours. Any subsequent return to work within two (2) hours of the first call out will be considered part of the first call out.
- 10.08 When an Employee's shift cycle is changed without seventy-two (72) hours' notice, the Employee will receive a premium of one half times their basic hourly rate for each hour worked on the first changed day of that shift cycle. This premium would not apply to the second or subsequent shifts in the changed shift cycle. This provision does not apply in cases of emergency, such as fire, flood or other force majeure.
- 10.09 Employees who have completed their scheduled shift and are required to commence their next shift within a ten (10) hour period from the end of the previous shift will be paid a premium of one half times their basic hourly rate for all hours worked prior to the expiry of the ten (10) hour interval in addition to overtime pay that might be payable.

10.10

- a. Employees will receive a Shift Premium for all hours worked on a shift where half or more of the hours of that shift fall between 6:00PM and 4:00AM. This premium will not be considered part of the basic rate of pay and will not be payable when the Employee is working daily overtime. It will not be included when calculating an Employee's daily overtime rate of pay.

The Shift Premium will be \$2.50 per hour.

- 10.11 Employees who are designated by the Employer to be On-Call during their scheduled days off, and therefore expected to be readily available to respond to any request to report to work will receive a flat fee of forty dollars (\$40.00) per day for each day they are so designated.

- 10.12 The employer is required to give an employee a minimum of two (2) calendar weeks' notice when there is a need to permanently transfer the employee to a different shift. This notice period can be waived by mutual agreement between the Employer and the employee.

ARTICLE 11 - REST AND MEAL PERIODS

- 11.01 Employees will receive two (2) scheduled fifteen (15) minute paid rest periods and one (1) unpaid thirty (30) minute meal break for each shift.
- 11.02 Employees will receive a paid fifteen (15) minute rest period between their regular scheduled hours and the commencement of daily overtime.

- 11.03 Employees working more than two (2) hours, but less than five (5) hours overtime on a scheduled day off will receive a paid fifteen (15) minute rest period. When working five (5) hours or more, the Employee may take an unpaid meal period of thirty (30) minutes. For periods of ten (10) hours or more the Employee will receive meal and rest periods in accordance with 11.01 and 11.04.
- 11.04 Employees working overtime for a period that exceeds two (2) hours following their regularly scheduled shift may take an unpaid meal break of thirty (30) minutes.

ARTICLE 12 - GENERAL HOLIDAYS AND HOLIDAY PAY

12.01

- a. When a General Holiday falls on an Employee's regular scheduled shift, and if the Employee has been employed for a minimum of thirty (30) calendar days and has worked their regularly scheduled shifts immediately preceding and immediately after the holiday, they will be compensated at their regular basic rate of pay, for the hours of work for the shift rotation they are working, for the following holidays:

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

- b. Employees will, at a minimum, receive 96 hours of Statutory Holiday pay by the end of the calendar year. If the number of hours paid by end of year is less than 96 hours, the employer will pay out the remaining balance to the employee in the form of a lump sum payment.
- c. An employee, rather than receiving the lump sum payment outlined in 12.01 b) may opt to transfer any remaining Statutory Holiday hours from their Stat Bank to Banked Overtime, as long as the maximum number of allowed banked time hours, as outlined in Article 10.05.a, is not exceeded. Otherwise 12.01.b applies.
- d. Employees starting throughout the year shall be entitled to a pro-rated amount of hours towards their stat bank, based on 1/12 of the potential 96 hour bank, per full month of service; partial months are not counted.
- e. Employees must be on payroll at the time of payout to receive any amounts owing. Employees that leave partially through the year are not eligible for payout at the time of their departure.

12.02 Holiday pay, as outlined in Article 12.01 will not apply to premium or bonus payments. It will not be included when calculating an Employee's overtime rate of pay.

12.03 Employees who are required to work on one of the designated holidays in Article 12.01 will receive overtime pay for all hours worked in addition to the holiday pay.

12.04 The Employer will give advance notice as to which of the above statutory holidays the operation will remain closed. Notice will be posted two (2) weeks prior to closing to enable advance scheduling of the persons assigned to be On-Call.

12.05 From time to time the Employer may elect to recognize a General Holiday on a day other than the day it is officially recognized. In the event a General Holiday that officially falls on a weekend is scheduled to be recognized on either the preceding Friday or following Monday, Employees working a normally scheduled weekend shift will have their shift rescheduled to ensure they receive the same number of consecutive days off they otherwise would have received had the General Holiday been recognized on the weekend.

ARTICLE 13 - ANNUAL VACATIONS AND VACATION PAY

13.01 Regular employees who have completed the required years of continuous service will be entitled to vacation in accordance with the following schedule:

- a. During the first (1st) year up to and including the third (3rd) year of employment, an employee will earn two (2) weeks (eighty (80) hours) of paid vacation;
- b. During the fourth (4th) year up to and including the ninth (9th) year of employment, an employee will earn three (3) weeks (one hundred and twenty (120) hours) of paid vacation;
- c. During the tenth (10th) year up to and including the fourteenth (14th) year of employment, an employee will earn four (4) weeks (one hundred and sixty (160) hours) of paid vacation;
- d. During the fifteenth (15th) year and subsequent years of employment, an employee will earn five (5) weeks (two hundred (200) hours) of paid vacation;

e. After completion of an employee's twentieth (20th), twenty-fifth (25th), thirtieth (30th) and thirty-fifth (35th) years of service, an employee will receive on a one-time basis, one (1) supplementary week of paid vacation.

13.02 From the date of commencement, employees will accrue vacation leave in accordance with Article 13.01 above. Paid vacation leave will accrue at the following rates:

During Years of Service	Vacation days per year	Paid hours accrued per 2 week pay period	Paid Vacation Hours per Year
1-3	10	3.08	80
4 – 9	15	4.62	120
10 -14	20	6.16	160
15 and more	25	7.70	200

13.03 Employees who are absent from work for vacation leave or any other paid leave including utilization of banked overtime, sick leave, bereavement, statutory holiday pay or to attend a funeral will continue to earn vacation credits during that period of absence.

13.04 Employees who are absent from work for a WCB compensable injury or leave to appear as a Court Witness or to attend Jury Duty/Selection as outlined in Article 24 will continue to earn vacation credits during that period of absence.

- 13.05 Employees who are absent for work for any leave other than that specified in Article 13.03 or Article 13.04 will cease to earn vacation credits during that period of absence and will have their vacation entitlement pro-rated accordingly.
- 13.06 At the time of hire, the Employer can in their sole discretion recognize prior experience as credit for service for the purposes of vacation entitlement.
- 13.07 A vacation request list will be posted in March of each year and employees can submit their choice for up to two (2) weeks` vacation prior to April 30th. Vacation of Employees will be scheduled on the basis of the employee`s length of service within the various departments.

Vacation requests made after May 1st will be dealt with on a first come first served basis. In the event that multiple vacation requests are made after May 1st that cannot be accommodated, the Union Management Committee will make the final decision.

In all cases vacation requests will be considered subject to the efficient operation of the business, and time off is subject to the express approval of the Employer.

- 13.08 Vacation time, up to forty (40) hours may be carried over to the next calendar year. All requests of additional vacation carry forward, above forty (40) hours, must be approved by the department manager, and submitted to the Human Resources department for final approval.
- 13.09 Employees whose employment ceases for whatever reason, will be paid for all earned and outstanding vacation pay entitlement up to and including the last day worked.

- 13.10 Supplementary vacation entitlements are to recognize significant employment anniversaries. These vacation credits are in addition to the normal vacation entitlement on a one time basis and will not form part of the normal entitlement.
- 13.11 Notwithstanding Article 13.07, vacation requests for the Christmas and New Year season will be awarded on a rotational basis within the various departments.

ARTICLE 14 - LENGTH OF SERVICE

- 14.01 Length of service when referred to in this Agreement will mean the total time employed by an employee in the bargaining unit.
- 14.02 The Employer will maintain up-to-date lists of every Employees' Length of Service Dates and Service Dates, and will provide them to the Union when requested. These lists will be published by Length of Service Date for each employee.
- 14.03 Any rights associated with Length of Service will cease for an Employee who:
- a. voluntarily terminates his/her employment;
 - b. is discharged and such discharge is not reversed through the Grievance Procedure;
 - c. fails to report on the first day following the expiration of an approved leave of absence, except by mutual agreement or reasonable cause;
 - d. is laid off for a continuous period of sixty (60) days;
 - e. fails to return to work when recalled from layoff.

14.04

- a. Employees who have been temporarily or permanently promoted out of the bargaining unit will have their Length of Service retained for one (1) year or such longer period that may be agreed to with the Union prior to the expiry of the one (1) year window, provided they remain employed with the Employer.
- b. Non-bargaining unit individuals may only return to the bargaining unit through the job posting procedure provided they have retained length of service as described in (a). These individuals will have their Length of Service Date adjusted.
- c. It is agreed that an Employee returning to the bargaining unit after a temporary promotion does not displace a Bargaining Unit Employee, and can be returned to the bargaining unit in their former position.

ARTICLE 15 - LAY OFF AND TERMINATION OF EMPLOYMENT

15.01 When the Employer deems it necessary to reduce the workforce they will give the Union One (1) weeks' notice of impending permanent layoffs. For example, this notice will not be required when equipment failure, shortage of material, or other reasons beyond the control of the Employer cause a stoppage of operations.

The Employer agrees to notify the Union of the names of Employees laid off within the pay period of the date during which the layoff will occur, together with the Employee's classification and latest available phone number.

15.02 In the event of a temporary or permanent lay-off, employees will be selected for lay off based on the following steps:

Step 1: The Employer will select, within each job stream, the number of positions required for layoff. This selection will be determined based on business need.

Step 2: Employees will be selected for layoff based on the least Length of Service in a specific Job Stream as outlined in Schedule "B".

15.03 In the event that an Employee's job becomes redundant or reclassified to a lower job grade and the Employee's rate of pay is reduced for any reason such as:

- a. Contracting out of work
- b. Sale of division
- c. Technological or mechanical change

then the severance provisions of Article 15.05 will apply. Employees who wish to be retained will be offered a meeting between the Union and the Employer to discuss employment options.

15.04 An employee who is subject to a temporary or permanent layoff will be given the option of:

- a. receiving a severance as outlined below, paid out within fourteen (14) calendar days of the layoff; or
- b. maintaining recall rights for a period of sixty (60) days. Employees who are not recalled within sixty (60) days will receive severance as outlined in Article 15.05 following the expiry of the recall time.

15.05 The Employer will provide severance pay in accordance with the following formula:

One (1) week's pay - Three (3) months to one (1) years service

Two (2) week's pay - One (1) year up to three (3) years service

Three (3) week's pay - Three (3) years up to four (4) years service

Four (4) week's pay - Four (4) years up to six (6) years service

Six (6) week's pay - Six (6) years up to eight (8) years service

Eight (8) week's pay - Eight (8) years up to ten (10) years service

Ten (10) week's pay - Ten (10) years up to twelve (12) years service

Eleven (11) week's pay - Twelve (12) years up to fourteen (14) years service

Twelve (12) week's pay - Fourteen (14) years up to sixteen (16) years service

Thirteen (13) week's pay - Sixteen (16) years up to eighteen (18) years service

Fourteen (14) week's pay - Eighteen (18) years up to twenty (20) years service

Fifteen (15) week's pay - Twenty (20) years up to twenty-two (22) years service

Sixteen (16) week's pay - Twenty-two (22) years up to twenty-five (25) years service

Seventeen (17) week's pay - Twenty-five (25) years or more service

15.06 There will be no termination of employment because of grounds prohibited by the Employment Standards Code, Labour Relations Code or Human Rights, Citizenship and Multiculturalism Act.

ARTICLE 16 - RECALL

16.01 The Employer will not hire into the bargaining unit while there are employees with recall rights capable of performing the work.

Employees will be recalled in order of Length of Service within the Job Stream they were in at the time of the layoff.

16.02 Employees will be notified of recall either in person, by telephone or by regular mail. A copy of the recall notice will be presented to the Union. It is the responsibility of the laid off Employees to keep the Employer informed of their current address and telephone number if they wish to be considered for recall.

16.03 Any Employee laid off and recalled for work must return within (2) calendar days after receipt of notice of recall when unemployed and within seven (7) calendar days when employed elsewhere, or make definite arrangements with the Employer to return to work at a time which is acceptable to the Employer or the Employee's rights to recall are forfeited.

ARTICLE 17 - JOB POSTING

17.01 It will be the objective of the Employer to promote from within wherever possible. The Employer will not hire externally for any vacancy where there are internal candidates that meet the minimum qualifications outlined in the job posting and that are willing to accept the position.

17.02 Job postings for positions covered by this Collective Agreement will be posted for five (5) days, and will include:

- a. Job Classification and Level
- b. Minimum Job Qualifications
- c. Anticipated job duties
- d. Wage rate range

Employees that do not meet the minimum job qualifications outlined in the job posting will not be considered as an eligible candidate for the vacancy.

17.03 The process for determining the successful candidate for a job posting will be documented in the Job Vacancy Awarding Criteria. The process will identify criteria that ensure fairness and transparency in the process while recognizing the skills a candidate has and the operational needs of the Employer.

Length of Service will be one of the selection criteria used to determine the successful candidate.

The process will also include, but not be limited to, selection criteria that have a direct objective relation to the position being awarded.

17.04 All unsuccessful candidates will be notified within one week (5 business days) of the posting being filled or cancelled.

ARTICLE 18 - TRANSFERS

18.01 Employees who have been permanently transferred into another position will be given the right of first refusal, within twelve (12) months of transfer, to return to their former position if it becomes available. The Employer does not need to post for a vacancy; if it is greater than twelve (12) months, the Employee will be required to apply into the position as per the job posting process.

18.02 Temporary transfers - Employees that are temporary transferred to another area will be paid the higher of their regular wage rate grandfathered or the regular wage rate of the temporary classification that they had previously attained. Temporary transfers will be set to an initial maximum of thirty (30) business days, renewable as business needs require.

18.03 Permanent transfers – Employees that are permanently transferred to another area will have their wage adjusted with according the following:

- a. Wage Reduction: Appropriate whenever a position transfer is initiated by the employee (also applicable when the employee is being removed from their position because of culpable actions or discipline);
- b. Grandfathering: Appropriate when the Employer requires an individual to move to a lower/different classification because the employee has a skill-set the employer needs elsewhere;

- c. Red Circling: Appropriate when the Employer is restructuring the workplace, and employee(s) are placed into a lower/different classification due to the restructuring – at no fault of the employee.

ARTICLE 19 - TECHNOLOGICAL AND MECHANICAL CHANGE

- 19.01 Technological and mechanical changes will be defined to mean the introduction and utilization of machinery and other equipment changes which have not previously been used in the bargaining unit by the Employer and the use of which results in the termination or the lay-off of regular Employees.
- 19.02 All parties to this Agreement recognize that technological and mechanical changes that result in increased efficiency and productivity must be encouraged and further, that all parties have a direct responsibility to reduce to a minimum the adverse effects that may result from such changes.
- 19.03 The Employer will keep the Union informed in advance of the introduction of technological or mechanical changes and the matter will immediately become the topic of general discussion and consultation between the Employer and the Union, and particularly in regard to:
 - a. the effect such changes will have on the number of Employees within the bargaining unit;
 - b. the probable effect on working conditions;
 - c. any changes in job classifications.

ARTICLE 20 - OCCUPATIONAL HEALTH AND SAFETY

20.01

- a. Health and Safety is of paramount importance to all personnel and it is recognized that all employees have obligations under the Alberta Occupational Health and Safety Act (2013). All persons working for the Employer will be expected to observe established health and safety policies and to immediately report unsafe or harmful conditions, equipment, or practices in accordance with the incident reporting procedure where possible to their Supervisor and/or a Health and Safety Committee member who shall investigate, and, if deemed necessary, recommend ways to correct the problem.
- b. The Employer shall ensure that the health and safety at work of every person employed by the Employer is protected.
- c. The Union undertakes to give full support to these objectives by promoting safety consciousness and a personal sense of responsibility amongst its membership.

20.02 There will be an established Joint Health and Safety Committee. The purpose of this committee is:

- to be a forum where potential hazards can be identified;
- to evaluate these potential hazards with the Safety department;
- to make recommendations on corrective actions;
- to follow up on the implementation of the recommendations.

- 20.03 An Employee who is injured on the job will immediately report to the shift Supervisor. If the Employee is required to leave for treatment and cannot return to work they will be paid for the remainder of the shift. An Employee who is injured on the job and who requires transportation from the work site to a local physician or hospital will receive such transportation provided for by the Employer.
- 20.04 The Employer has a Light Duty Work Program, and in the event that an Employee is injured on the job and requires medical attention, the Employee will advise the attending Physician of the Program, and have the Physician identify any limitations that the Employer will have to consider in returning the Employee to work in the Light Duty Work Program.
- 20.05 The Employer will ensure that all medical information required of an Employee will be kept confidential between the Employee, the Health Professional(s) and management personnel who are required to know this information.

ARTICLE 21 - TOOLS AND EQUIPMENT

- 21.01 Employees are required to furnish all hand tools necessary for their job classification as specified by the Tool List provided by the Employer. The Employer will provide a secure personal tool storage for each Employee. Employees are expected to have these tools available and in good working condition at all times. All tools necessary to complete assigned work in addition to those specified by the Tool List will be provided by the Employer. Where the Employer requires the Employee to use impact wrenches or micrometers the Employer will provide those tools. Employees will be held responsible for safeguarding and applying proper care and attention in the utilization and storage of Employer tools issued to them.
- 21.02 The Employer agrees to maintain equipment that Employees are required to use in a safe condition. Equipment that is not in proper working condition should be reported to the Supervisor who will determine the appropriate course of action. Unsafe equipment may also be reported to the Health and Safety Committee in the event that timely and appropriate corrective action has not been taken.
- 21.03 The Employer will provide an annual Boot Allowance to all Full-Time and Regular Part-Time Employees who are required to wear safety boots. This allowance will be set at fifty percent (50%) of actual cost to a maximum reimbursement of eighty dollars (\$80.00). The allowance may be carried over for one year.

Employees that work in component cleaning, component disassembly, component testing, the Service Bay, Cell Bay, Struts and Cylinders, Paint and Packaging, and employees who are required to work outdoors in the winter will be eligible for a fifty percent (50%) of actual cost maximum reimbursement of One Hundred Sixty dollars (\$160.00) per year.

21.04 The Employer will provide an annual Tool Allowance to employees in any job classifications which have an Employer required tool list. This allowance will be set at fifty percent (50%) of actual cost for the purchase or repair for any tools listed on the Employees Tool Requirements by Job Classification document to a maximum reimbursement per year as follows:

- \$300
- \$500 during the first year only when an existing employee is internally promoted to a new classification requiring significantly different tools

21.05 There will be an established Tool Committee.

21.06 There will be an established Equipment Committee.

ARTICLE 22 - UNION MANAGEMENT COMMITTEE

22.01 The parties to this agreement pledge to work towards the greatest possible degree of consultation and cooperation, believing that the following concepts provide a fundamental framework for improved labour/management relations:

- a. the industrial enterprise is an economically characterized work community of capital investors and workers under the leadership of a management;

- b. the economic character springs from a continuous striving towards efficient use of scarce resources, energy and environment, and in the adequate development of research, production and marketing;
- c. the enterprise requires authority relationships under a strong central leadership of management;
- d. a strong management does not discourage cooperation but stimulates it, recognizing that while leadership without labour can do nothing, labour without management cannot survive.

22.02 In order to further the aims of the enterprise, the parties agree to schedule Union/Management meetings as required, but at least every three (3) months during the life of this Agreement. The meetings will serve as a forum for discussion and consultation about policies and practices not necessarily covered by the Collective Agreement. The areas for discussion may include, but not be limited to:

- a. hiring policies;
- b. discipline and discharge policies;
- c. training and promotion;
- d. health and safety measures;
- e. matters that affect the working conditions of the Employees.

22.03 The Employer and the Union will each appoint representatives to the Union/Management Committee. The Committee will decide how to communicate the results of the discussions to all parties.

- 22.04 A Committee member, attending the Union/Management Committee meetings during regular working hours or outside working hours will be entitled to his regular hourly rate of pay from the Employer.
- 22.05 The Parties agree that the provisions of this Article are not meant to limit or restrict the right of the Employer to communicate with Employees.

ARTICLE 23 - BENEFIT PLANS

- 23.01 In order to protect employees and their families from the financial hazards of illness, the parties agree to provide a comprehensive Benefit Plan under the following conditions. The Benefit Plan will be allocated in a manner that minimizes the tax implications of benefits for employees and strives for an equivalent sharing of total benefit plan premium costs between the Employer and the employee when participating in all components of the Benefit Plan.
- 23.02
- a. Employees will be eligible for and required to participate in the following Benefit Plans, subject to a three (3) month waiting period for new employees, eligibility criteria and specific terms and conditions outlined under each Benefit Plan. The Employer agrees to maintain the Benefit Plans, with the premium costs fully paid by the employee through payroll deduction:
- Group Life Insurance
 - Short Term Disability
 - Long Term Disability

b. Employees will be eligible for and required to participate in the following Benefit Plans, subject to a three (3) month waiting period for new employees, eligibility criteria and specific terms and conditions outlined under each Benefit Plan. The Employer agrees to maintain the Benefit Plans, with the Employer paying eighty percent (80%) and the employees paying twenty percent (20%) of the premium cost through payroll deduction:

- Accidental Death and Dismemberment
- Extended Health Care (employees may apply for Spousal Exemption)
- Dental (employees may apply for Spousal Exemption)

c. The Employer will maintain the following Benefit Plan with the premium costs fully paid by the Employer:

- Employee and Family Assistance Plan (EFAP)

23.03 In the event either party desire to change benefit service providers, that party shall inform the other party in writing. This written notice will result in both parties meeting to further discuss and in the event that both parties mutually agree the Employer will survey the Employees for final approval. In no event shall either party recommend changing service providers with less than 60 days written notice to the existing benefit service provider.

23.04 Upon hire, the Employer will distribute brochures and other relevant information concerning the above plans. Communication regarding changes to a plan will be distributed to Employees. Copies of these communications will also be provided to the Union.

23.05 It is understood and agreed that the Employee is responsible to be familiar with the specific details of coverage and eligibility requirements of all benefits plans. Further, neither the Union nor the Employer has any responsibility for ensuring that all requirements for eligibility or conditions of coverage or entitlement of benefits are met by the Employee, beyond the obligations specifically stipulated in this Agreement.

ARTICLE 24 - PENSION PLAN

24.01 Employees covered by this agreement shall participate in a Defined Contribution Registered Pension Plan as outlined below.

24.02 Employees will be eligible to participate immediately upon commencement of employment, subject to the other eligibility criteria outlined in the Pension Plan. The Employer will contribute three percent (3%) of the Employee's regular wages (including 4 hour weekend premium, as applicable). The Employee may make voluntary contributions to the Pension Plan up to the maximum amount permitted under the relevant pension legislation. For each one percent (1%) voluntary contribution by the Employee, the Employer will contribute an additional one-half percent ($\frac{1}{2}\%$) of the Employee's regular wages (including 4 hour weekend premium, as applicable), up to an additional maximum of one and one-half percent (1.5%). The total maximum contribution made by the Employer will not exceed four and one-half percent (4.5%) of the Employee's regular wages (including 4 hour weekend premium, as applicable). .

Employee's may voluntarily contribute more than three percent (3%) of regular wages without further Employer contributions, subject to contribution limitations established by relevant legislation and the terms of the Pension Plan.

Employees will become vested immediately upon participation in the Pension Plan.

24.03 Employees will be permitted to make adjustments to their voluntary contribution levels no less than once per year. The Employer will post prior notice of a reasonable timeframe when change requests will be accepted.

ARTICLE 25 - PAY PROVISIONS FOR EMPLOYEES ABSENT FROM DUTY

25.01 Sick Leave/Flex Leave

a. Regular full time employees will be entitled to sick/flex time as follows:

Years of Service	Hours of Sick Leave	Hours of Flex Leave	Maximum Payout
Effective January 1, 2015			
Up to 2 years	30 hours at 75 %	0	0
After 2 years	40 hours at 100%	20 hours at 100%	60 Sick and Flex
Effective January 1, 2016			
Up to 2 years	50 hours at 75%	0	0
After 2 years	60 Hours at 100%	20 hours at 100%	20 Flex ONLY

- b. Employees that do not fully utilize their bank of sick/flex leave by the end of each calendar year will be paid out, at their regular rate of pay, any remaining balance, in the form of one lump sum payment. Effective January 1, 2016 only flex time will be paid out.
- c. The Supervisor may require a physician's certificate for absences due to illness and will advise the Employee of this requirement prior to their return to work. The employee will bear any costs associated with 25.01 (c)
- d. Where an Employee's absence due to illness is frequent, extended, or seriously interferes with the effectiveness of a production unit, a physician's certificate must be produced upon request of the Supervisor. The Employee may also be required to attend a medical consultation with a physician appointed by the Company, at the cost of the Employer.
- e. Employees will normally require a minimum of 24 hours' notice when utilizing Flex Time. Unused flex time at the end of each calendar year will be paid out, at their regular rate of pay, in the form of one lump sum payment.

25.02 Bereavement Leave

- a. An Employee will be granted three (3) days leave of absence with pay and up to two (2) additional days leave without pay to make arrangements for and to attend the funeral of the Employee's immediate family. Immediate family will be defined as: husband; wife; (including common-law spouse) father; mother; son; daughter; brother; sister; father-in-law; and mother-in-law. Additional time off without pay may be taken with the approval of the Employer.

b. An Employee will be granted one (1) day leave of absence with pay to make arrangements for and to attend the funeral of the Employee's sister-in-law, brother in-law, grandparent, or grandparent in-law. Additional time off without pay may be taken with the approval of the Employer.

25.03 Employees may make application for leave of absence without pay for personal reasons or family distress. The Employer will consider length of service, compassionate reasons for the leave and operational requirements in the decision of whether to grant such a leave and the length of time for such leave.

25.04 Elections

Employees eligible to vote will be allowed sufficient time off with pay to meet legal requirements for voting purposes. This does not apply to Employees listed as voters at localities other than where they are working.

25.05 Court Witness

a. An Employee absent from work as a result of a subpoena or summons to appear as a witness will be allowed time off without pay.

b. An Employee appearing as a witness on behalf of the Company will receive regular wage treatment.

25.06 Jury Duty and/or Selection

An Employee receiving a court notice to appear for jury duty and/or selection will inform their Supervisor. The Employee will receive fifty percent (50%) of their regular pay (no premium pay) to a maximum of twenty (20) normal working days for time when the Employee is required to be in attendance for Jury Duty and/or Selection.

25.07 Absence – General

Payment of wages will not be allowed for time lost by any Employee for reasons other than those covered under the terms of this Agreement, or provided by statute.

25.08 Reporting Absence

An Employee who is unable to work for any reason, is required to notify their Supervisor, or designated person as directed by their Supervisor, as soon as possible before work, and in any case within the first two (2) hours of such absence. Failure to report may result in discipline.

ARTICLE 26 - MATERNITY AND PARENTAL LEAVE

26.01 Leaves for these purposes will be granted in accordance with the Employment Standards Code.

ARTICLE 27 - EDUCATION FUND

27.01 The Employer agrees to contribute \$7,500.00 to the Pre-Board Screeners, Logistics, Manufacturing and Allied Trades Union (CLAC), Local 56 Education Fund annually.

ARTICLE 28 - GRIEVANCE PROCEDURE

28.01 The parties to this Agreement recognize the Stewards and the CLAC Representatives specified in Article 4 as the agents through which Employees will process their grievances and receive settlement thereof.

28.02 “Grievance” will mean a complaint or claim concerning improper discipline, or the interpretation, application, administration or alleged violation of this Agreement.

A “Group Grievance” is defined as a single grievance, signed by a Steward or a CLAC Representative on behalf of a group of Employees who have the same complaint. Such grievance must be dealt with at successive stages of the Grievance procedure commencing with Step 1. The grievors must be listed on the grievance form.

A “Policy Grievance” is defined as one that involves a question relating to the interpretation, application or administration of this Agreement.

A Policy Grievance must be signed by a Steward or CLAC Representative, or in the case of an Employer’s Policy Grievance, by the Employer or his representative.

28.03 All the time limits referred to in this grievance procedure will mean consecutive calendar days exclusive of Saturdays, Sundays, and Employer or General Holidays. If the initiator of the grievance does not advance a grievance from Step 1 to Step 2 within the stated time limits, the grievance must be withdrawn and will be deemed to be abandoned. Failure of the respondent to the grievance to reply to the grievance at any step will automatically permit the grievance to advance to the next step.

28.04 The Employer or the Union will not be required to consider or process any grievance which arose out of any action or condition more than seven (7) work days before the grievance was filed with the other party. If the Employer does consider or process a grievance that has been presented late, the Employer will not be estopped or precluded at any stage from taking the position that the grievance is late and not arbitrable.

28.05 No Employee will have a grievance until he has discussed his complaint with his immediate Supervisor. If the Employee's Supervisor does not promptly settle the matter to the Employee's satisfaction, an Employee's grievance may be processed as follows:

Step 1

Subject to the conditions of Article 7, if a grievance is to be filed it must, within the seven (7) work days referred to in Article 27.04, be reduced to writing and be presented to the designated Employer representative by a Steward or CLAC representative. The designated Employer representative must notify the Union representative of his decision in writing not later than fourteen (14) calendar days following the day upon which the grievance was received.

The grievance must identify:

- a. The facts giving rise to the grievance;
- b. The section or sections of the Agreement claimed violated;
- c. The relief requested;

and must be signed by the Employee or Employees involved.

Step 2

If the grievance is not satisfactorily resolved at Step 1, the Union steward shall submit a Step 2 grievance to the designated Employer representative in writing no later than seven (7) calendar days after receiving the reply at Step 1. Within ten (10) calendar days, an official grievance meeting must be scheduled mutually acceptable to both parties which will be held on OEM premises. The designated Employer representative will respond to the Union within seven (7) calendar days of the grievance meeting being held.

Step 3

In the event that the grievance is not settled at Step 2, the party having the grievance must serve the other party with a Step 3 written notice of their desire to arbitrate within fifteen (15) calendar days of the delivery of the decision in Step 2 to the Steward or CLAC Representative but not thereafter.

28.06 Union Policy Grievance or Employer Grievance

A Union policy grievance or an Employer grievance must be submitted to the Employer or the Union, as the case may be, in writing, within ten (10) calendar days of the time circumstances upon which the grievance is based were known or should have been known by the grieving party. A meeting between the Employer and the Union will be held within ten (10) calendar days of the presentation of the written grievance and will take place within the framework of Step 2 of Article 27.05. The Employer or the Union, as the case may be, will give its written decision within seven (7) days after such meeting has been held.

If the decision is unsatisfactory to the grieving party, the grievance may be submitted to arbitration provided that it is submitted within fifteen (15) days of the delivery of such written decision and the arbitration section of this Agreement will then be followed.

The provisions of Article 27.06 will not be used by the Union to institute a grievance directly affecting an Employee or Employees that such Employee or Employees could themselves institute, and the provisions of Article 27.04 and 27.05 hereof will not thereby be bypassed.

- 28.07 The time limits listed in the Articles 27 and 28 are mandatory, however the parties may agree to freeze the time limits in exceptional circumstances. Requests and approval for freezing of time limits must be in writing.

ARTICLE 29 - ARBITRATION

- 29.01 If the party desiring arbitration does not advance the grievance within the time limits set out in Articles 27 and 28, the grievance will be deemed to be abandoned.
- 29.02 If a notice to arbitrate is served, the two parties will meet in an attempt to obtain an Agreement to refer the matter to an agreed upon single arbitrator within seven (7) days of service.
- 29.03 The decision of the single Arbitrator will be final and binding on the two parties to the dispute.

- 29.04 If the parties fail to agree to refer the matter to an agreed upon single Arbitrator within seven (7) days of service, the two parties will each then nominate an appointee to an Arbitration Board within seven (7) days of the failure to refer the matter to a single Arbitrator and will notify the other party of the name of their nominee. The two nominees will attempt to select by agreement, a Chairman. If they are unable to agree upon a Chairman within seven (7) days of their appointment, either party may request the Director of Mediation Services to appoint an impartial Chairman.
- 29.05 No person may be appointed as Chairman who has been involved in an attempt to negotiate or settle the grievance.
- 29.06 The decision of a majority is the decision of the Arbitration Board but if there is no majority, the decision of the Chairman of the Arbitration Board governs. The decision of the Arbitrator shall be final and binding upon the parties to the Agreement. The Arbitrator shall not, however have the right to alter or amend any provision of this Agreement.
- The parties do not have the right to alter the decision of the Arbitrator or Arbitration Panel. If a grievor is found to have been improperly dismissed, suspended, or laid off, the decision of the Arbitrator will be implemented in whole without delay.
- 29.07 Notice of desire to arbitrate and nominations of an arbitrator must be served personally, by fax, or e-mail, provided that the fax or e-mail is confirmed received.
- 29.08 Each of the parties will bear the expenses of the nominee appointed by it, and the parties will jointly bear the expense of a single Arbitrator or the Chairman of the Arbitration Board.

29.09 The single Arbitrator or Arbitration Board will not be authorized to make any decisions inconsistent with the provisions of this Agreement, or to alter, modify or amend any part of this Agreement, or to adjudicate any matter not specifically assigned to it by the notice to arbitrate or specified in the grievance.

29.10 Expedited Mediation/Arbitration Process

The Union or the Employer may propose an Expedited Mediation-Arbitration Procedure within fifteen (15) calendar days after the reply to a Step 2 grievance. Within seven (7) days of the request for expedited mediation-arbitration, either party must respond as to their decision to proceed to expedited mediation/arbitration or arbitration under 28.01.

The expedited mediation/arbitration procedure will be held within ninety (90) days of the decision to proceed to expedited mediation/arbitration. The selection of mediator/arbitrator will be on a rotation basis of the agreed upon individuals provided the time limits can be met.

The final and binding decision will be presented within thirty (30) days of the completion of the expedited mediation/arbitration.

ARTICLE 30 - GENDER CLAUSE

30.01 Where the masculine gender is used in this Agreement it will be considered to include the feminine gender.

ARTICLE 31 - APPRENTICESHIP PROGRAM

- 31.01 The parties recognize the importance of developing our workforce through an Apprenticeship Program.
- 31.02 The Employer agrees to provide opportunities for employees to apprentice in the following trades, subject to availability of eligible work:
- Heavy Equipment Technician (4 year program)
 - Machinist (4 year program)
 - Welder (3 year program)
- 31.03 Participation in the Apprenticeship Program will be determined through a job posting process. Apprentice positions will be posted for a period of five (5) days. Appointments for Apprentice positions will be determined through a selection process based on merit and qualifications by a committee comprised of:
- Applicable Management/Supervisory Personnel
 - Human Resources, and
 - A Union representative.

Preference will be given to internal applicants relative to external applicants of equal merit and qualifications. Employees working in the Welding classification who are deemed to be performing compulsory trade work as defined by relevant legislation are required to apprentice.

- 31.04 In addition to the process described in Article 31.03, candidates for Apprentice positions must meet all government requirements for a registered apprentice, and may be required by management to work in a variety of areas to gain the necessary experience and skills.
- 31.05 Successful applicants to the Apprenticeship Program will be transferred from their current position to the corresponding Apprentice position with the rate of pay described in Schedule A and subject to Article 30.09.
- 31.06 Individuals accepted into the Sponsored Apprenticeship Program will be compensated for all hours worked at the applicable apprentice rate based on the program year. Any Employee is earning a wage rate higher than the applicable apprentice rate when they are accepted into the Apprenticeship Program, will continue to earn their grandfathered wage rate for all hours worked.
- 31.07 Individuals accepted into the Sponsored Apprenticeship Program will be compensated while attending school, under an approved program, for eight (8) hours straight time per day at the applicable apprentice rate based on the program year. While attending school, in the event that an employee is eligible for collecting Employment Insurance (EI) Benefits, the employee will apply for and assign all EI payments to the Employer.

Employees may elect to retain their EI payments in exchange for forfeiting all Employer provided compensation.

- 31.08 The Employer will reimburse employees in the Sponsored Apprenticeship Program for the cost of tuition fees and textbooks under the following criteria:
- The employee must provide evidence of payments and proof of successful completion of the training course (receipts, transcripts, etc.);
 - The employee must return to work for the Employer after completion of the training.
- 31.09 Progression from one level to the next within an Apprentice job classification will be based on the employee providing evidence that they have successfully completed all requirements for the applicable program year.
- 31.10 Upon achievement of certified journeyman status the Employee will be re-assigned to a job classification outside the Apprenticeship Program, and their rate of pay will be adjusted in accordance with Article 9 and Schedule A.
- 31.11 In the event that an employee who has been accepted into the Sponsored Apprenticeship Program voluntarily terminates employment within 24 months following the completion of any technical training that is funded by the Employer, the employee will be required to reimburse the Employer for tuition fees, textbooks, and paid time for attending school based on the following provisions:

- In the event that the employee terminates employment within the first 12 months following completion of technical school training:
 - 50% of the total cost of tuition fees and text books, plus
 - 50% of the differential between all paid hours while attending school less the Employment Insurance Benefits signed over to the Employer.

- In the event that the employee terminates employment between 13 and 24 months following completion of technical school training:
 - 25% of the total cost of tuition fees and text books, plus
 - 25% of the differential between all paid hours while attending school less the Employment Insurance Benefits signed over to the Employer.

31.12 Temporary and Part Time employees will not be eligible to apply for Apprenticeship Program job postings.

ARTICLE 32 - DISCIPLINARY ACTION

32.01 The parties recognize the importance of undertaking progressive disciplinary action to address job-related behavior in the event that an employee is not meeting expected performance standards, with the objective of correcting behavior and improving employee performance.

- 32.02 The Employer will ensure that a progressive disciplinary action process is in place and applied consistently. This process includes a series of progressive corrective steps (based on the severity of the behavior or conduct in question) to address employee performance concerns or specific incidents.
- 32.03 An employee may be disciplined, up to and including termination, for just cause. Employees receiving such discipline will have access to the Grievance Procedure, subject to Article 7.01 and Article 8.03.
- 32.04 In the event that an employee is to be disciplined, all disciplinary action taken will be in writing to the employee with a copy provided to the Union within twenty-four (24) hours of the discipline occurring, whenever possible. The Employer will ensure that employees receiving discipline will be provided with the opportunity to have a Union Steward or Representative present during the discipline meeting.
- 32.05 All disciplinary action taken will be documented in the respective employee's personnel file. Provided that there has been no reoccurrence of disciplinable behavior, employees may request in writing to remove discipline letters from their file:
- a. After six (6) calendar months for letters of warning, and
 - b. After twelve (12) calendar months for suspension.
- 32.06 An employee will be deemed to have voluntarily resigned if they fail to report to work and to notify management of their absence from work for three (3) consecutive work days.

- 32.07 When the employer determines that the actions of an employee may result in a suspension, a Union Steward or Representative will be included in all the investigation interview(s) prior to the discipline being issued.
- 32.08 It is agreed that safety investigation reports will not be included in any employee file nor used to support discipline of any employee except where the information provided by the employee during the Human Resources investigation differs from the information they provided during the safety investigations.
- 32.09 Signing not Agreement - Whenever an employee signs a document pertaining to discipline, they do so only to acknowledge that they has been notified accordingly.

ARTICLE 33 - DURATION OF AGREEMENT

- 33.01 This Agreement will be effective from January 1, 2015 to December 31, 2017 and for further periods of one (1) year unless notice will be given by either party of the desire to delete, change or amend any of the provisions contained herein, within the period from one hundred twenty (120) to sixty (60) days prior to the renewal date. Should neither of the parties give such notice, this Agreement will renew for a period of one (1) year.

33.02 Until a new Agreement has been concluded all provisions in this Collective Agreement will remain in full force and effect.

DATED at Edmonton, Alberta this _____ day of _____ 2015.

Signed on behalf of

Signed on behalf of

**OEM REMANUFACTURING
INC.**

**PRE-BOARD SCREENERs, COMPANY
LOGISTICS, MANUFACTURING AND
ALLIED TRADES UNION (CLAC),
LOCAL 56**

Per _____

Per _____

Per _____

This printing is for
information purposes only.
Original, signed documents
are on file at the Edmonton
CLAC office.

Per _____

Per _____

Authorized Representatives

Authorized Representatives

Schedule "A"

1-Jan-15

1-Jul-16

1-Jan-17

1-Jul-17

1%

2%

2%

MATERIALS MANAGEMENT					
Yard Keeper	Level 1	\$23.69	\$23.93	\$24.41	\$24.89
	Level 2	\$25.33	\$25.58	\$26.09	\$26.62
	Level 3	\$27.12	\$27.39	\$27.94	\$28.50
Material Handler	Level 1	\$23.69	\$23.93	\$24.41	\$24.89
	Level 2	\$25.33	\$25.58	\$26.09	\$26.62
	Level 3	\$27.12	\$27.39	\$27.94	\$28.50
Parts Supply Specialist	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
	Level 4	\$27.12	\$27.39	\$27.94	\$28.50
Parts Receiver	Level 1	\$19.74	\$19.94	\$20.34	\$20.74
Painter/Packager	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
	Level 4	\$27.12	\$27.39	\$27.94	\$28.50
Shipper	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
	Level 4	\$27.12	\$27.39	\$27.94	\$28.50
Core Receiver	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$27.50	\$27.78	\$28.33	\$28.90
	Level 3	\$29.77	\$30.07	\$30.67	\$31.28
	Level 4	\$32.08	\$32.40	\$33.05	\$33.71

1-Jan-15 **1-Jul-16** **1-Jan-17** **1-Jul-17**
 1% **2%** **2%**

MAINTENANCE					
Janitor	Level 1	\$19.74	\$19.94	\$20.34	\$20.74
	Level 2	\$20.52	\$20.73	\$21.14	\$21.56
Machinist Apprentice	Year 1	\$24.15	\$24.39	\$24.88	\$25.38
	Year 2	\$28.53	\$28.82	\$29.39	\$29.98
	Year 3	\$32.93	\$33.26	\$33.92	\$34.60
	Year 4	\$37.33	\$37.70	\$38.46	\$39.23
Facilities Maintenance Technician	Level 1	\$34.60	\$34.95	\$35.64	\$36.36
	Level 2	\$36.76	\$37.13	\$37.87	\$38.63
	Level 3	\$40.66	\$41.07	\$41.89	\$42.73
	Level 4	\$43.91	\$44.35	\$45.24	\$46.14
Electrician	Level 1	\$43.91	\$44.35	\$45.24	\$46.14

SALVAGE

		1-Jan-15	1-Jul-16 1%	1-Jan-17 2%	1-Jul-17 2%
Block Salvage Technician	Level 1	\$30.54	\$30.85	\$31.46	\$32.09
	Level 2	\$32.26	\$32.58	\$33.23	\$33.90
	Level 3	\$34.60	\$34.95	\$35.64	\$36.36
	Level 4	\$36.98	\$37.35	\$38.10	\$38.86
	Level 5	\$38.82	\$39.21	\$39.99	\$40.79
	Level 6	\$40.66	\$41.07	\$41.89	\$42.73
	Level 7	\$43.91	\$44.35	\$45.24	\$46.14
Chrome Technician	Level 1	\$23.69	\$23.93	\$24.41	\$24.89
	Level 2	\$25.33	\$25.58	\$26.09	\$26.62
	Level 3	\$27.50	\$27.78	\$28.33	\$28.90
	Level 4	\$29.77	\$30.07	\$30.67	\$31.28
	Level 5	\$32.08	\$32.40	\$33.05	\$33.71
Crankshaft Salvage Technician	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$26.81	\$27.08	\$27.62	\$28.17
	Level 3	\$29.17	\$29.46	\$30.05	\$30.65
	Level 4	\$31.55	\$31.87	\$32.50	\$33.15
	Level 5	\$33.60	\$33.94	\$34.61	\$35.31
	Level 6	\$36.98	\$37.35	\$38.10	\$38.86
	Level 7	\$38.98	\$39.37	\$40.16	\$40.96
	Level 8	\$41.04	\$41.45	\$42.28	\$43.12
	Level 9	\$43.91	\$44.35	\$45.24	\$46.14
Cylinder Head Salvage Tech	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$27.50	\$27.78	\$28.33	\$28.90
	Level 3	\$29.77	\$30.07	\$30.67	\$31.28
	Level 4	\$31.61	\$31.93	\$32.56	\$33.22
	Level 5	\$33.60	\$33.94	\$34.61	\$35.31

		1-Jan-15	1-Jul-16 1%	1-Jan-17 2%	1-Jul-17 2%
Cylinder Pack, Valve Mech & Rod Con Technician	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$27.50	\$27.78	\$28.33	\$28.90
	Level 3	\$29.77	\$30.07	\$30.67	\$31.28
	Level 4	\$31.61	\$31.93	\$32.56	\$33.22
	Level 5	\$33.60	\$33.94	\$34.61	\$35.31
General Salvage Technician	Level 1	\$30.54	\$30.85	\$31.46	\$32.09
	Level 2	\$34.60	\$34.95	\$35.64	\$36.36
	Level 3	\$36.98	\$37.35	\$38.10	\$38.86
	Level 4	\$40.66	\$41.07	\$41.89	\$42.73
	Level 5	\$41.39	\$41.80	\$42.64	\$43.49
	Level 6	\$43.91	\$44.35	\$45.24	\$46.14
Pro/FAB Welding Salvage Technician	Level 1	\$30.54	\$30.85	\$31.46	\$32.09
	Level 2	\$34.60	\$34.95	\$35.64	\$36.36
	Level 3	\$36.98	\$37.35	\$38.10	\$38.86
	Level 4	\$40.66	\$41.07	\$41.89	\$42.73
	Level 5	\$41.39	\$41.80	\$42.64	\$43.49
	Level 6	\$43.91	\$44.35	\$45.24	\$46.14
Welding Apprentice	Year 1	\$26.35	\$26.61	\$27.15	\$27.69
	Year 2	\$32.93	\$33.26	\$33.92	\$34.60
	Year 3	\$39.52	\$39.92	\$40.71	\$41.53
HVOF/Metal Coating Technician	Level 1	\$26.81	\$27.08	\$27.62	\$28.17
	Level 2	\$29.17	\$29.46	\$30.05	\$30.65
	Level 3	\$31.55	\$31.87	\$32.50	\$33.15
	Level 4	\$33.60	\$33.94	\$34.61	\$35.31
	Level 5	\$36.98	\$37.35	\$38.10	\$38.86
	Level 6	\$38.98	\$39.37	\$40.16	\$40.96

Cylinders and Support Areas

		1-Jan-15	1-Jul-16 1%	1-Jan-17 2%	1-Jul-17 2%
Component Cleaner - Support	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
Production Assistant- Sub Assembly	Level 1	\$19.74	\$19.94	\$20.34	\$20.74
	Level 2	\$20.52	\$20.73	\$21.14	\$21.56
Small Component Rebuild Tech	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$27.50	\$27.78	\$28.33	\$28.90
	Level 3	\$29.77	\$30.07	\$30.67	\$31.28
	Level 4	\$32.08	\$32.40	\$33.05	\$33.71
	Level 5	\$33.60	\$33.94	\$34.61	\$35.31
	Level 6	\$36.65	\$37.02	\$37.76	\$38.51
	Level 7	\$39.92	\$40.32	\$41.13	\$41.95
	Level 8	\$43.91	\$44.35	\$45.24	\$46.14
	Level 9	\$46.09	\$46.55	\$47.48	\$48.43
Roller & Idler Rebuild Tech	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$27.50	\$27.78	\$28.33	\$28.90
	Level 3	\$29.77	\$30.07	\$30.67	\$31.28
	Level 4	\$32.08	\$32.40	\$33.05	\$33.71
Strut/Cylinder Technician	Level 1	\$25.33	\$25.58	\$26.09	\$26.62
	Level 2	\$26.81	\$27.08	\$27.62	\$28.17
	Level 3	\$29.17	\$29.46	\$30.05	\$30.65
	Level 4	\$31.55	\$31.87	\$32.50	\$33.15
	Level 5	\$33.60	\$33.94	\$34.61	\$35.31
	Level 6	\$36.98	\$37.35	\$38.10	\$38.86

Powertrain

		1-Jan-15	1-Jul-16 1%	1-Jan-17 2%	1-Jul-17 2%
Production Assistant	Level 1	\$19.74	\$19.94	\$20.34	\$20.74
	Level 2	\$20.52	\$20.73	\$21.14	\$21.56
Component Cleaner	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
LC Disassembly Tech	Level 1	\$27.50	\$27.78	\$28.33	\$28.90
	Level 2	\$31.55	\$31.87	\$32.50	\$33.15
	Level 3	\$33.60	\$33.94	\$34.61	\$35.31
	Level 4	\$36.29	\$36.65	\$37.39	\$38.13
	Level 5	\$40.66	\$41.07	\$41.89	\$42.73
NDT Test Technician	Level 1	\$33.60	\$33.94	\$34.61	\$35.31
	Level 2	\$36.65	\$37.02	\$37.76	\$38.51
	Level 3	\$39.92	\$40.32	\$41.13	\$41.95
Powertrain Inspector	Level 1	\$33.60	\$33.94	\$34.61	\$35.31
	Level 2	\$36.29	\$36.65	\$37.39	\$38.13
	Level 3	\$39.92	\$40.32	\$41.13	\$41.95
	Level 4	\$43.91	\$44.35	\$45.24	\$46.14
	Level 5	\$46.09	\$46.55	\$47.48	\$48.43
Powertrain Assembly Technician	Level 1	\$33.60	\$33.94	\$34.61	\$35.31
	Level 2	\$36.29	\$36.65	\$37.39	\$38.13
	Level 3	\$39.92	\$40.32	\$41.13	\$41.95
	Level 4	\$43.91	\$44.35	\$45.24	\$46.14
	Level 5	\$46.09	\$46.55	\$47.48	\$48.43
HET Apprentice - PWRT SB	Year 1	\$27.65	\$27.93	\$28.49	\$29.05
	Year 2	\$32.26	\$32.58	\$33.23	\$33.90
	Year 3	\$36.87	\$37.24	\$37.98	\$38.74
	Year 4	\$41.47	\$41.88	\$42.72	\$43.58

		1-Jan-15	1-Jul-16 1%	1-Jan-17 2%	1-Jul-17 2%
Service Bay Technician - PWRTN	Level 1	\$36.98	\$37.35	\$38.10	\$38.86
	Level 2	\$40.45	\$40.85	\$41.67	\$42.51
	Level 3	\$43.91	\$44.35	\$45.24	\$46.14
	Level 4	\$46.09	\$46.55	\$47.48	\$48.43
	Level 5	\$48.37	\$48.85	\$49.83	\$50.83
Component Tester	Level 1	\$43.91	\$44.35	\$45.24	\$46.14
	Level 2	\$46.09	\$46.55	\$47.48	\$48.43
	Level 3	\$48.37	\$48.85	\$49.83	\$50.83

ENGINES

		1-Jan-15	1-Jul-16	1-Jan-17	1-Jul-17
Production Assistant	Level 1	\$19.74	\$19.94	\$20.34	\$20.74
	Level 2	\$20.52	\$20.73	\$21.14	\$21.56
Component Cleaner	Level 1	\$22.13	\$22.35	\$22.80	\$23.25
	Level 2	\$23.69	\$23.93	\$24.41	\$24.89
	Level 3	\$25.33	\$25.58	\$26.09	\$26.62
LC Disassembly Tech	Level 1	\$27.50	\$27.78	\$28.33	\$28.90
	Level 2	\$31.55	\$31.87	\$32.50	\$33.15
	Level 3	\$33.60	\$33.94	\$34.61	\$35.31
	Level 4	\$36.29	\$36.65	\$37.39	\$38.13
	Level 5	\$40.66	\$41.07	\$41.89	\$42.73
Hardware Inspector	Level 1	\$23.69	\$23.93	\$24.41	\$24.89
	Level 2	\$25.33	\$25.58	\$26.09	\$26.62
Engine Inspector	Level 1	\$33.60	\$33.94	\$34.61	\$35.31
	Level 2	\$36.29	\$36.65	\$37.39	\$38.13
	Level 3	\$39.92	\$40.32	\$41.13	\$41.95
	Level 4	\$43.91	\$44.35	\$45.24	\$46.14
	Level 5	\$46.09	\$46.55	\$47.48	\$48.43
Engine Assembly Technician	Level 1	\$33.60	\$33.94	\$34.61	\$35.31
	Level 2	\$35.33	\$35.68	\$36.40	\$37.12
	Level 3	\$36.98	\$37.35	\$38.10	\$38.86
	Level 4	\$38.82	\$39.21	\$39.99	\$40.79
	Level 5	\$40.45	\$40.85	\$41.67	\$42.51
	Level 6	\$42.17	\$42.59	\$43.44	\$44.31
	Level 7	\$43.91	\$44.35	\$45.24	\$46.14
HET Apprentice - ENG SB	Level 1	\$27.65	\$27.93	\$28.49	\$29.05
	Level 2	\$32.26	\$32.58	\$33.23	\$33.90
	Level 3	\$36.87	\$37.24	\$37.98	\$38.74
	Level 4	\$41.47	\$41.88	\$42.72	\$43.58

		1-Jan-15	1-Jul-16	1-Jan-17	1-Jul-17
Service Bay Technician - ENG	Level 1	\$36.98	\$37.35	\$38.10	\$38.86
	Level 2	\$40.45	\$40.85	\$41.67	\$42.51
	Level 3	\$43.91	\$44.35	\$45.24	\$46.14
	Level 4	\$46.09	\$46.55	\$47.48	\$48.43
	Level 5	\$48.37	\$48.85	\$49.83	\$50.83
Component Tester	Level 1	\$43.91	\$44.35	\$45.24	\$46.14
	Level 2	\$46.09	\$46.55	\$47.48	\$48.43
	Level 3	\$48.37	\$48.85	\$49.83	\$50.83

Schedule “B”

For the purposes of Layoffs, the parties have agreed that the bargaining unit will be organized into the following job streams.

PRODUCTION DEPARTMENT STREAMS

- Powertrain (includes)
 - o NDT
- Engines, Sub Assembly and Small Components
- Welding (made up of)
 - o Production Welding
 - o Fabrication Welding
 - o Metal Coating
- RUC – serve different industry than the rest of the shop.
- Cylinders
- HVOF
- Chrome
- Machine Shop
- Blocks & Cranks
- Cylinder Packs and Heads
- Cleaning, Hardware Inspection, Production Assistant

It is agreed that Cleaning, Hardware Inspection and Production Assistant are entry level positions and any other Production Department Stream may displace an employee with less Length of Service in this stream.

MATERIALS DEPARTMENT STREAMS

- Material Handling
- Core Receiving, Paint and Package, Shipping and Yard keeping
- Parts

It is agreed that Parts is an entry level position and any other Materials Department Stream may displace an employee with less Length of Service in this stream.

MAINTENANCE

- Maintenance
- Electrician
- Janitorial

It is agreed that Janitorial is an entry level position and any other Maintenance Stream may displace an employee with Less Length of Service in this stream.

LETTER OF UNDERSTANDING #1

SHIFT PATTERNS

In recognition that the Employer may introduce additional shift cycles, the parties agree that in order to accommodate the requirements of the Employer's business and the impact that additional shift cycles has on employees and their families, and the effects that shift work has on the overall health and wellbeing of an employee, the parties agree that in developing appropriate additional shift cycles the following will apply:

1. The Employer will create a project team to review and recommend changes to shift patterns. The union may appoint up to five (5) representatives to sit on this project team. The project team will seek the input from as many employees as possible that may be impacted by the shift pattern change.
2. No shift pattern will be developed without the assistance of fatigue experts and any other outside expert that the committee agrees are appropriate. The recommendations of the experts consulted will be the considered in the formation of additional shift patterns.
3. Any shift pattern implemented will adhere to all requirements of the Collective Agreement and any appropriate legislation.
4. In the event that consensus cannot be reached on the shift pattern to be implemented, the Employer will retain the right to select the schedule that is most effective, guided by the recommendations of the experts consulted, subject to review as outlined in point 7 below.

5. A communication plan will be developed to involve employees who are impacted by the changes, which will include a Letter of Understanding outlining the parameters of the new shift structure.
6. The shift pattern recommended from the project team will not be implemented without a minimum of ninety (90) days' notice.
7. Within the first ninety (90) days of an additional shift pattern beginning, the project team as outlined in (2) above will meet a minimum of two (2) times to review the cycle and make any recommended changes to the cycle that may be required.
8. If the first additional shift pattern is limited to specific areas, and the employer wishes to introduce additional shift patterns in other areas or plant wide, the committee will be reconvened to determine if the initial pattern is appropriate or if another pattern needs to be developed using the parameters of this letter of understanding.



LETTER OF UNDERSTANDING #2 SHIFT SCHEDULE.

The Parties agree to the following:

The two (2) shift pattern will be as outlined below:

- Day shift: Monday through Friday 6:00 am - 2:30pm
- Afternoon shift: Monday through Friday 3:00 pm – 1:30 am.

OEM agrees to pay a shift premium on the afternoon (PM) shift as outlined in Article 10.09 for all hours worked regardless of shift start time or where majority of hours fall. OEM commits to not removing the premium for any reason while the current collective agreement is in effect.

LETTER OF UNDERSTANDING #3 DRUG AND ALCOHOL POLICY

Whereas the Employer, Employees and Union share a common interest for occupational health and safety of all team members as described in Article 20 of the CBA;

And whereas the Employer has revised the Company Drug and Alcohol Policy;

The parties agree on a without precedent or prejudice basis that the selections of the Drug and Alcohol Policy pertaining to Site Access and Random testing shall not be enforced until one party serves the other party with thirty (30) days written notice of their intent to apply one or both testing situations.

LETTER OF UNDERSTANDING #4

CONTRACT WORKERS

Whereas, the parties agree on a without precedent or prejudice basis that:

- Due to the volatility in the predictability, volume, and nature of the work of the Employer, that under certain circumstances, the Employer may require employees to fill temporary positions for short term production needs and as further defined in Article 8.03;
- There may be occasions it is in the best interests of both parties to utilize a third-party contracted labour provider to supply “contracted-in” workers for some of these short term needs; and
- That, while such “contracted in” workers are direct employees of the third-party labour provider, the Union maintains its recognition rights on the scope of work as defined in Article 2 of the current collective agreement, even if being performed temporarily by “contracted in” workers.

Therefore, the following conditions will apply when workers are contracted-in (sourced and retained through third-party labour providers or personal services agreements) to perform work normally performed by employees in the bargaining unit:

- They would be restricted to performing principal duties in only the following job classifications:
 - o Parts Supply Specialist (24 hours’ notice is required with reasons in writing)
 - o Painter/Packager

o Component Cleaner

- The Employer will notify the Union of their intent to utilize contracted-in workers no later than five (5) business days prior to the effective date;
- The duration of any contracted-in work assignment will be a maximum of 60 calendar days;
- The contract with the labour provider shall be structured to ensure that the individual(s) will be remunerated at the applicable wage rate from the Collective Agreement for the classification of work they are performing, less the equivalent of union dues on the hourly rate;
- The Employer will remit to the Union an amount equivalent to union dues for all contract labour hours worked based on the applicable wage rate paid to the contracted individual worker;
- The use of such contracted-in workers will not result in the reduction of hours worked or decrease the amount of reasonable overtime work opportunities for any bargaining unit employees;
- During any period of time where the Employer has elected to utilize contracted-in workers, the Employer will make every reasonable effort to recruit for and staff any position vacancies with direct hire temporary or permanent workers;
- Contracted-in workers are external candidates regarding any posted job position at OEM.



LETTER OF UNDERSTANDING #5 TEAM LEADERS

The parties agree that, with regards to Team Leader Positions, the following applies:

Article 3 -Management Rights

- 3.01 b) the right: to select, hire and direct the work force; to transfer, assign, promote, demote, classify, temporarily layoff, recall and suspend Employees; to determine the competency and qualification of Employees; to select and appoint individuals both into and out of the Team Leader role; to select and retain Employees for positions excluded from the bargaining unit.

Article 13 Annual Vacations & Vacation Pay

Article 13.06 At the time of hire, the Employer can in their sole discretion recognize prior experience as credit for service for the purposes of vacation entitlement. Individuals employed in or appointed to a Team Leader position, who have less than 3 years of OEM service and who have not already received prior service recognition, will receive credit for 3 years of service (for vacation purposes only) at the time of being appointed to a Team Leader role, for the purpose of ensuring all Team Leaders will earn a minimum of 3 weeks of vacation entitlement annually.

Article 9 -Classification and Wage Rates

Article 9.03 Employees assigned to the job classification of Team Leader will receive the following compensation:

- An hourly base rate of pay calculated as: the Employee's applicable Schedule "A" classification rate, based on competency, demonstrated skill, and expectation to train others, x 1.05
- Participation in OEM's Performance Bonus Plan

LETTER OF UNDERSTANDING #6

TEAM LEADER COMPENSATION – COMPONENT CLEANING & DISASSEMBLY

Regarding Team Leaders in Component Cleaning and Disassembly, the parties agree that the following applies:

Article 9.03 Employees assigned to the job classification of Team Leader will receive the following compensation:

1. An hourly base rate of pay calculated as: the Employee's applicable Schedule "A" classification rate, based on competency, demonstrated skill, and expectation to train others, x 1.05 Note: Team Leader's who are currently compensated at a rate higher than this calculation will be grandfathered into that wage rate, and will receive negotiated general wage Increases based on that rate.
2. Participation in OEM's Performance Bonus Plan
3. In an effort to retain qualified employees in the role of Team Leader in the entry-level and high turnover areas of Component Cleaning & Large Component Disassembly, individuals in these job classifications will receive the greater of:
 - 9.03.1 as outlined above; or
 - For Component Cleaning Team Leader, compensation at the Large Component Disassembly Technician (level 2) rate x 1.05.
 - Large Component Disassembly Team Leader, compensation at the Assembly Technician (Level 3) rate x 1.05.



LETTER OF UNDERSTANDING #7

LEVEL 5 POWERTRAIN ASSEMBLY/INSPECTION

Management agrees to appoint one employee per shift at level 5, from either power train assembly or power train inspection.



LETTER OF UNDERSTANDING #8

SERVICE BAY TEAM LEADER AND TECHNICIAN SHIFT PATTERN

Whereas the business of the Employer is conducted twenty-four (24) hours per day, seven (7) days per week, and Employees will be scheduled to work shifts to accommodate the demands of the business;

And whereas it is important to recognize the impact of changes to shift schedules on the balance of work and family life for OEM Employees:

The Parties agree to modify the shift pattern of the Service Bay Technicians effective October 15, 2012. On the Monday through Thursday afternoon shift, the Service Bay Team Leaders will start at 3.00pm and end at 1:30am. During that same afternoon shift, the Service Bay Technicians will start at 3:30 and end at 2:00am.

It is agreed that all requirements stipulated in Letter of Understanding #1 have been adhered to.



LETTER OF UNDERSTANDING #9 JOB POSTING CRITERIA

The Parties will create a project team that reviews the current job vacancy awarding criteria.

The Union will appoint one steward, one CLAC Representative and one hourly employee to the project team, allowing for employee/union participation and input in the creation of the job vacancy awarding criteria.

The project team will also consist of five management representatives. Where consensus of the team cannot be achieved, the majority of the team will determine the final direction.

The principles outlined in Article 17.03 will be used as guiding principles for the project team.

The project team will be tasked with review and recommendation within 6 months of signing of this document. Monthly project updates will be communicated by the project leader via the established monthly management/union meetings.

Should changes to the job vacancy awarding criteria be required, the project team will convene to discuss any recommended changes.

OEM Remanufacturing

A Finning Enterprise

13315-156 Street

Edmonton, Alberta T5V 1V2

Telephone: (780) 468-6220

Fax: (780) 447-7829

LOGISTICS, MANUFACTURING AND ALLIED TRADES UNION CLAC LOCAL 56

14920 118 Ave.

Edmonton, AB T5V 1B8

Telephone: 780-454-6181

Toll Free: 877-863-5154

Facsimile: 780-451-3976

edmonton@clac.ca

www.clac.ca



www.clac.ca