

ARTICLES OF AGREEMENT

BETWEEN

MELLOY INDUSTRIAL SERVICES INC.

(HEREINAFTER REFERRED TO AS THE EMPLOYER)

AND THE

**INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS
LOCAL LODGE #146**

(HEREINAFTER REFERRED TO AS THE UNION)

EFFECTIVE: JANUARY 1, 2017 – DECEMBER 31, 2017

THIS AGREEMENT, GOVERNING WAGES AND WORKING CONDITIONS IN THE FABRICATION SHOP,
SHALL GOVERN THE RELATIONS BETWEEN THE UNION AND THE EMPLOYER.

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ARTICLE 1 RECOGNITION, SCOPE AND PURPOSE OF AGREEMENT

- Section 1 The Employer recognizes the Union as the sole bargaining agent for all of its production and maintenance employees in the performance of all fabrication, construction, and repair work at the employer's shop location. Provided, however, that the employer is free to conduct research or development of new products or to install and test new equipment. Provided, however, that bargaining unit employees are trained to operate this new equipment.
- Section 2 The Union agrees to cooperate with and assist in every legitimate way the employer to conduct a successful business, bearing in mind that both parties must give service to the public.
- Section 3 This agreement shall cover all hourly paid employees as listed under Article 9 - "WAGES".
- Section 4 All references to days or hours as time periods are to be considered as working days or working hours unless a contrary intention is expressed.

ARTICLE 2 MANAGEMENT

- Section 1 It is the employer's right to operate and manage its business in all respects in accordance with its responsibilities and commitments. The location of jobs, the choice of equipment, the schedules or manufacture, the methods and means of manufacture, are solely and exclusively the responsibility of the employer.
- Section 2 The employer has the right to make and alter from time to time rules and regulations to be observed by the employees, as contained in the Melloy safety workplace policy, provided that they are not inconsistent with this Agreement.
- Section 3 It is an exclusive function of the employer to hire, promote, demote, transfer, suspend, discipline or discharge for cause, employees in the bargaining unit subject to provisions of this Agreement.
- Section 4 A bulletin board for the benefit of the shop employees shall be provided in the lunch room. A listing of shop floor supervisory personnel shall be periodically posted on this bulletin board.
- Section 5 Nothing in this Article shall be interpreted to prejudice other unspecified traditional rights of management.

ARTICLE 3 RESPONSIBILITIES OF EMPLOYEES

- Section 1 The employee must accept reasonable responsibility for the tools furnished by the employer and must report the loss of any of these tools immediately to his supervisor.
- Section 2 An employee found deliberately misusing company equipment or property, may be subject to discipline which may include dismissal. Responsibility for normal wear and tear of tools supplied by the employer is accepted by the employer on return of broken or worn tools. Adequate protection is to be provided by the employer for all tools and equipment.
- Section 3 Employees shall adhere to all duties, conditions, responsibilities, and terms of employment posted or published from time to time as may be the case by the employer, providing they are not inconsistent with this collective agreement.
- Section 4 Employees shall report all work related injuries immediately to their foreman. If medical attention is required it is the employees' responsibility to obtain sufficient medical documentation to help process WCB claims.

ARTICLE 4 UNION SECURITY

- Section 1 The employer agrees to employ only members in good standing with the Union, who will at all times assist the employer to secure competent shop boilermakers and helpers. Should the Union find it impossible to secure the necessary boilermakers and helpers, within forty-eight (48) hours, the employer may hire such boilermakers and helpers as are available, with the understanding that the new employee will become a member of the Union within fifteen (15) days. The employer will assist in assuring that the new employee will become a member of the Union. The employer shall deduct, in accordance with the Labour Relations Code, the amount of dues or levies as may be authorized by the employee. Such dues shall be deducted from the first pay period of each month and forwarded to the Secretary-Treasurer of Local Lodge 146 before the fifteenth (15th) day of the month.
- Section 2 All new employees must report to the Union office and sign Application for Membership and Checkoff Dues before going to work.
- Section 3 When any shop employees are required to work on any boilermaker, field, or maintenance work, they shall be paid their wages and conditions according to the Boilermakers' Construction or Maintenance Agreement in effect at that time.
- Section 4 The employer shall have the right to name request one (1) employee out of every four (4) employees hired by the employer.

Section 5 All Boilermakers will require certain safety qualifications such as respirator fit testing, fall arrest and confined space training prior to being dispatched.

ARTICLE 5 HOURS OF WORK

Section 1 Eight (8) hours per day shall constitute a regular day's work. Forty (40) hours' per week, Monday through Friday inclusive, shall constitute a regular week's work. The foregoing shall not be interpreted as a guarantee to provide work to any employee for regularly assigned hours or any other hours.

- OR -

The majority of the bargaining unit employees of this bargaining unit or the bargaining agent and the employer may establish a compressed work week in which case ten (10) hours per day shall constitute a regular day's work. Forty (40) hours per week shall constitute a regular week's work, Monday to Thursday inclusive or Tuesday to Friday inclusive.

Section 2 The normal hours of work shall be between 7:30 a.m. and 4:00 p.m.

Section 3 The majority of the bargaining unit employees of this bargaining unit or the bargaining agent, and the employer may change the foregoing starting time by one (1) hour either way. The Union and the shop steward shall be notified in writing of a change in the starting time at least twenty-four (24) hours before implementing the change. Article 7, Section 1, shall be interpreted to reflect the new starting time.

Section 4 Employees shall be entitled to two (2), ten (10) minute paid coffee breaks in an eight (8) hour shift.

- OR -

Employees shall be entitled to two (2), fifteen (15) minute paid coffee breaks in a ten (10) hour scheduled shift.

ARTICLE 6 SHIFT WORK

Section 1 Where two (2) or three (3) shifts are working, the first or day shift shall be paid at the applicable rate, as set out in Article 9. The afternoon shift shall immediately follow the day shift unless otherwise agreed. The afternoon shift shall be paid for eight (8) hours work for a total shift time of 8.5 hours.

The evening or night shift shall work 7.5 hours for eight (8) hours pay. The evening shift may overlap with the afternoon shift up to one-half (1/2) hour.

Section 2 Employees will be given a minimum of two (2) working days notice, exclusive of Saturday and Sunday, prior to any change in his shift except in cases of emergency or work force realignments necessary because of employee absenteeism. The employer reserves the right of placement of personnel on various shifts. Shifts shall rotate with two (2) weeks on each shift unless the employee was hired for a specific shift.

Section 3 Employees will be paid a minimum of two (2) hours at the applicable rate if they show up and are unable to work due to circumstances beyond their control.

Section 4 The shift premium shall be paid on all hours worked. The shift premium shall not be compounded on overtime hours worked.

Section 5 The shift premium of two dollars and fifty cents (\$2.50) shall be paid on all hours worked on the afternoon or evening shifts.

ARTICLE 7 OVERTIME AND GENERAL HOLIDAYS

Section 1 All hours worked before and after any shift in excess of those provided shall be termed overtime. When such unscheduled overtime is expected to exceed two (2) hours employees shall be entitled to a ten (10) minute rest period.

Section 2 The first four (4) hours of overtime Monday to Friday shall be at 1.5 times the regular rate of pay. Hours of work on Saturday and Sunday shall be at 1.5 times the regular rate of pay. Overtime hours worked after twelve (12) hours shall be paid at two (2) times the regular rate.

- OR -

When working a compressed work week the first twelve (12) hours on Friday and the first twelve (12) hours on Saturday and Sunday shall be at time and a half (1 1/2). All other overtime will be calculated at two (2) times the regular rate.

- Section 3 It is the employers right to schedule overtime. The employer shall request the employees to work overtime in order of seniority sequence in a classification to ensure a fair distribution of overtime. Such request to work overtime shall not be unreasonably refused.
- Section 4 When an employee is required to work unscheduled overtime and works more than ten (10) hours, a twenty dollar (\$20.00) allowance will be paid for the purchase of a hot meal. The employee shall be given twenty (20) minutes at time and one-half (1 ½) to consume his meal. Unscheduled overtime shall be defined for the purposes of this section as being overtime for which the employee receives no notice thereof until the last regularly scheduled shift which the overtime follows.
- When the employee is working scheduled overtime of more than ten (10) hours, he shall be given 20 minutes at time and one-half (1 ½) to consume his meal at the end of the first two (2) hours of overtime.
- Section 5 The period of time recognized as a holiday is the twenty-four (24) hour period beginning at the start of the regular day shift (7:30 a.m.) on the day which is recognized as the holiday.
- Section 6 General holidays are: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, and any other general holiday proclaimed by the Federal or Provincial Governments.
- Section 7 General Holiday pay is to be calculated and paid each pay period at 4.5% of gross hourly earnings. Time and one-half (1 ½) shall be paid for hours worked on the holidays recognized in this Agreement.
- Section 8 No work shall be performed on Labour Day, except for the preservation of life and property.
- Section 9 The day before Christmas Day and the day before New Year's Day, shall be a day off without pay and may be worked by mutual consent at straight time.
- Section 10 Recognized holidays in this agreement shall be observed on the day on which they fall.
- Section 11 If the holiday is worked the day will be paid at time and one-half (1 ½).

ARTICLE 8 VACATIONS

Section 1 Vacation pay is to be calculated and paid each pay period at:

0-12 months	4% of gross hourly earnings
13-48 months	6% of gross hourly earnings
49-120 months	8% of gross hourly earnings
Greater than 120 months	10% of gross hourly earnings

Section 2 As far as possible employees shall be granted their choice of vacation periods according to their seniority, but the right to allocate vacation periods is reserved by the employer in order to insure efficient and continuous operations of the plant. Unless mutually agreed an employee will not take more than fifteen (15) working days of vacation time consecutively.

Section 3 It shall be mandatory for the employees to take vacations after one (1) full year of continuous employment.

ARTICLE 9 WAGES

Section 1 Wages as set out in the Addenda shall remain in effect from ratification.

The wage classifications as shown in the Addenda are identical to the seniority classifications referenced in other sections of this agreement.

Section 2 If an employee's cheque is short by less than eight (8) hours the difference will be made on the following week's cheque. If the shortage is eight (8) hours or more a separate cheque will be issued the next business day.

ARTICLE 10 BEREAVEMENT LEAVE

Section 1 Employees are entitled to: Three (3) days off with pay if the death of a member of a member of the immediate family occurs, which includes: wife, husband, daughter, son, mother, father, sister, brother and common-law spouse. One (1) day off with pay for the death of grandmother, grandfather, mother-in-law, father-in-law, common-law mother-in-law, common-law father-in-law and step-parents.

ARTICLE 11 BOILERMAKER'S SHOP HEALTH AND WELFARE PLAN

Section 1 The employer shall contribute to the Boilermaker's Shop Health and Welfare Fund, ninety-five (95¢) cents for each regular hour worked for each employee covered by this agreement.

If there is an actuarial cost increase, this cost increase shall be passed on to the employer with sixty (60) days notice provided that substantiation, for the increase is given to the employer.

- OR -

The employer will provide a plan with benefits which are equal to or greater than the Boilermaker's Shop Health and Welfare Fund at no cost to the employees.

Section 2 The employer shall provide, at no cost to the employees, medical insurance available from Alberta Health Care at the monthly rate for family or for single on the first full month after completing thirty (30) calendar days of employment, but shall not pay for duplication or be held responsible for arrears.

Section 3 The employer will provide at least one hundred and forty-five (145) hours per month to the Boilermaker' Shop Health and Welfare Fund for each employee after six (6) months of employment.

Section 4 Formed ear protection will be paid for by the employer after sixty (60) calendar days of employment, once every two (2) years.

Section 5 The employer will contribute on behalf of each employee to the C.E.F.A.P.

ARTICLE 12 PENSION/RETIREMENT PLAN

Section 1 The employer shall contribute at the rate stipulated in the Addenda, for each hour paid to the Boilermakers' National Pension Fund (Canada). Employees will qualify for contributions after completion of thirty (30) calendar days of employment.

Section 2 The current month's contributions shall be remitted by the 15th of the following month and must be accompanied by a report showing each employee's name, social insurance number, hours worked and the amount of the contribution.

Section 3 The Boilermakers' National Pension Fund (Canada) is to be administered by a board of trustees having equal representation from a number of employer representatives and union representatives.

ARTICLE 13 EDUCATIONAL TRAINING FUND

Section 1 The employer shall contribute ten (10¢) cents per regular hour worked by all Employees covered by this agreement. This ten (10¢) cent rate will continue until the total cash and investments of the Fund reach \$50,000.00 at which time the rate will be reduced to five (5¢) cents. The employer also agrees that should the total cash and investments of the Fund drop below \$30,000.00 the contribution shall revert back to ten (10¢) cents.

Section 2 The current month's contribution shall be remitted by the twentieth (20th) day of the following month to the Edmonton Boilermaker Shop Educational Training Trust Fund in care of Local Lodge #146 of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, 15220 - 114 Avenue, Edmonton, Alberta, T5M 2Z2.

The contributions must be accompanied by a report showing each employee's name, social insurance number, hours worked, and the amount of contribution.

Section 3 The Edmonton Shop Educational Trust Fund and Programme are to be administered by the trustees of the Edmonton Shop Educational Trust Fund and Programme in accordance with the signed trust document, and if there is any conflict between the terms of the trust document and this article, then the terms of the trust document shall prevail.

ARTICLE 14 WORK CLASSIFICATIONS

Section 1 WELDERS, FITTERS AND BURNERS

Welders, fitters and burners shall perform work within the trade claims of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers of the International Constitution, Article XI.

Section 2 APPRENTICES

(a) Apprentices shall perform work as in Article XI of the International Constitution. An apprentice will be given ample opportunity to cover all sections of his trade. The ratio of apprentices shall be one (1) to three (3) boilermakers. The same ratio to apply when lay-offs occur. It is recognized that there may be situations in which the above ratio would be impractical. In order to obtain relief, the employer must consult with the business manager or business representative to reach a mutually acceptable solution.

- (b) After working six (6) months in the shop, the employer agrees to pay indentured apprentices an amount which, when added to the weekly government grant, will amount to 90% of his base pay calculated at his straight time hourly rate multiplied by forty (40) hours, while attending technical school. These payments shall be made on a separate cheque.

Apprentices to be paid one-third (1/3) of the amount owing on the first pay period upon returning to work after attending school. The second one-third (1/3) shall be paid on the second pay period and the final one-third (1/3) on the third pay period upon returning to work after attending school.

- (c) The year of apprenticeship shall be determined by the "Contract of Apprenticeship" each apprentice holds.
- (d) After working six (6) months in the shop, tuition for apprenticeship training shall be reimbursed as follows: Course Pass Mark 70% to 84% tuition reimbursed on a sliding scale. Course Pass Mark 85% and higher tuition reimbursed at 100%. Marks below 70% do not receive tuition reimbursement.

Section 3

HELPERS, PRODUCTION WORKERS AND MATERIAL HANDLERS

Helpers, production workers and material handlers shall perform work such as power brush operation, power grinding, cleaning, assisting welders or fitters in the performance of work referred to in Article XI of the International Constitution and such other work as is generally recognized as production workers, helpers and material handlers work.

Section 4

STUDENT LABOUR

Student labour classification shall apply between the period of May 1st and September 15th. No permanent employees shall be replaced by the employment of student labourers.

Section 5

BEGINNERS

Notwithstanding Article 4, Section 1, beginner classification shall apply to those employees that have no work experience in the industry and whose intent it is to enter into the apprenticeship program. The individual must be indentured as an apprentice within sixty (60) calendar days or employment is terminated. The employer has the right to hire such individuals as are available to him providing the Union has no unemployed first year apprentices with shop experience.

ARTICLE 15 WORKING CONDITIONS

- Section 1 An adequate change and lunch room shall be provided. Location of these facilities is at the discretion of management.
- The employer is responsible for the destruction by fire on the employer's premises of personal effects owned by the employee to a maximum of \$200.00.
- Section 2 The foreman shall sign a safe slip before any employee proceeds to work on any vessel or tank which has contained explosive or hazardous material.
- Section 3 If any employee meets with an accident during working hours and his physician deems it not safe for him to continue his shift, he shall be paid at his regular pay for the full shift.
- Section 4 The employer shall provide one of the following at their discretion:
- (a) Shop employees who have served 30 calendar days, shall be issued three (3) pairs of cotton coveralls. When coveralls are deemed by Melloy, that they are beyond repair, Melloy will exchange them for a new pair. Further to this it will be Melloy's responsibility to provide for cleaning of one pair of Coveralls' per week. Repairs to the coveralls will be done by the cleaners at Melloy's cost.
 - (b) Gloves are to be supplied by the employer, as required, on an exchange basis.
- Section 5 When practical, spray painting shall be conducted at the best place, time and location that causes the least hazard to the employees.
- Section 6 When employees are called back to work after completion of their regular shift, they shall receive a minimum of two (2) hours show-up time to be calculated at one and one-half (1 ½) the employee's regular rate of pay.
- Section 7 The employer where practical shall provide plug-ins for all regular employees. Where not practical to provide plug-ins a boosting service will be supplied.
- Section 8 Employees shall be allowed a five (5) minute paid personal clean-up time prior to the end of their shift.
- Section 9 The employer shall provide rules and safety equipment information to all employees.

ARTICLE 16 WELDING TESTS

- Section 1 A welder who has served his apprenticeship with the employer, upon taking his initial "B" Pressure Test shall receive six (6) hours regular pay for taking his test. If the employee works for the employer less than thirty (30) days after receiving six (6) hours regular pay for his initial "B" Test, he shall have deducted from his final pay an amount equal to six (6) hours pay at his regular rate.

- Section 2 Any "B" Pressure Welder that is new to the company shall, upon successful completion of a qualification test, be paid for the test time to a maximum of four hours.

ARTICLE 17 SENIORITY

- Section 1 The principle of seniority in a classification shall govern layoffs and recalls. Consideration shall be given to retain sufficient employees in each job classification to suit the nature of the work remaining. A new employee shall not be entitled to seniority until he has been employed for the probationary period of sixty (60) calendar days, and then his seniority shall date back to the time of his hiring.

- Section 2 Employees laid off shall retain their seniority accumulated to time of layoffs, providing the layoff does not exceed two (2) months per year, after which the employee will lose all seniority rights. A laid-off employee must make arrangements with the employer to return to work within seven (7) days after receiving a notice of recall, in order to preserve his seniority.

- Section 3 Separate seniority lists shall be kept for each category as per the wage listing. In the case of layoffs, each list shall be considered a separate unit. The employer will supply seniority lists.

- Section 4 Lay-offs must comply with the Employment Standards Code.

- Section 5 An employee's seniority shall be maintained for a maximum of one (1) year for his absence as a result of sickness covered by a medical certificate, or an accident recognized by the Workers' Compensation Board.

- Section 6 Where an employee leaves employment for any other reason seniority will not be retained.

- Section 7 Should an employee solicit work in field construction or maintenance, the employee shall lose seniority rights after sixty (60) days of continuous field work.

If the employer solicits the employee to go to the field on new construction or maintenance, his seniority shall continue in the shop.

ARTICLE 18 SHOP COMMITTEE

- Section 1 The importance of the Union maintaining at all times a Shop Committee, consisting of qualified employees of the employer familiar with plant conditions, is recognized.

- Section 2 The selection of the Shop Committee is recognized as a function of the Union. The committee shall consist of not less than one (1) nor more than three (3) employees. The Chairman of this committee shall be the shop steward. Owing to the nature of his work on this committee, it is deemed important that seniority does not affect his lay-off, therefore, in the event of a lay-off he shall be the second last man off the job, provided there is work available for which he is qualified; otherwise, the Business Manager or Business Representative will be notified in time to appoint a successor. The shop steward shall be given a reasonable length of time to perform his duties. The shop steward works days only.

- Section 3 At least one (1) member of the Shop Committee shall act on the Safety Committee, preferably the shop steward.

- Section 4 Safety Committee meetings shall be held at least once per month, or as required by the committee.

ARTICLE 19 GRIEVANCE MACHINERY

Section 1 GRIEVANCE PROCEDURE

It is the mutual desire of the parties hereto, that complaints of employees shall be adjusted as quickly as possible. Grievance shall mean any difference of dispute concerning the interpretation, application, administration or alleged violation of the collective agreement. Any of the time limits contained herein are mandatory, however, they may be extended if mutually agreed to in writing.

Step 1

The foreman or supervisor shall be given the opportunity to adjust a complaint. When a complaint is reduced to writing, it shall be termed a grievance and shall be advanced to Step 2.

Step 2

The written grievance shall be submitted to the employer representative within ten (10) working days from the incident giving rise to the complaint.

Step 3

The employer representative shall hear the grievance within twelve (12) working days from the incident giving rise to the complaint. The grievance shall be presented by the Business Manager or his representative and the shop steward. The written decision of the employer representative shall be submitted to the Business Manager and the shop steward within fifteen (15) working days from the incident giving rise to the complaint.

Step 4

If the employer's answer in Step 3 is unacceptable, with grievance shall then be discussed within twenty-five (25) working days from the incident giving rise to the complaint at a meeting of the Plant Manager or his designated representative and the International Vice-President or his designated representative. If the matter is not resolved in Step 4, the Union may advise in writing within thirty (30) working days from the incident giving rise to the complaint that it wishes to submit the matter to arbitration.

Section 2

ARBITRATION

The Union and the Employer will establish a list of four (4) acceptable arbitrators. Arbitrators will be chosen shortly after ratification. The single arbitrator will be selected in rotation from the list. Any of the time limits contained herein are mandatory, however, they may be extended if mutually agreed to in writing.

Step 1

Once the arbitrator has been named he shall convene a hearing into the grievance within forty-five (45) working days from the incident giving rise to the complaint.

Step 2

The arbitrator shall render his decision no later than sixty (60) working days from the incident giving rise to the complaint. The decision of the arbitrator shall be final and binding on the parties.

- a) The arbitrator shall be governed by the terms of the Collective Agreement and he shall not alter, amend or change the terms of the Agreement. If an employee has been dismissed or otherwise disciplined by the employer for cause and the Collective Agreement contains no specific penalty for the infraction that is the subject matter of the arbitration, the Arbitrator may

substitute any penalty for the dismissal or discipline that seems just and reasonable in all the circumstances.

- b) Each of the parties to this Collective Agreement shall bear their own expenses for arbitration. The fees and expenses of the arbitrator shall be shared equally by the parties.

ARTICLE 20 UNION LABEL

Section 1 The company agrees to accept the Union Label as per the attached Memorandum of Agreement (Addendum 4).

ARTICLE 21 DURATION OF AGREEMENT

Section 1 This Agreement shall become effective January 1st, 2017, and shall remain in full force and effect until December 31st, 2017, and from year to year thereafter, unless either party shall, at least sixty (60) days prior to the anniversary date thereof, notify the other party to this Agreement of a desire to modify or terminate this Agreement. In the event that such notice is given, the parties shall meet not later than fifteen (15) days after receipt of such notice.

If an agreement is not reached on or before the expiry date of the existing contract, then terms and conditions of this contract shall remain in effect until a new agreement is concluded or strike or lockout commences. Employees agree to no strike or lockout during the term of the collective agreement under the Labour Relations Code.

IN WITNESS THEREOF the parties hereto have executed this Agreement the

_____ day of _____, 2017.

Melloy Industrial Services Inc.

International Brotherhood of
Boilermakers, Iron Ship Builders, Blacksmiths, Forgers
and Helpers,
Lodge 146

John Aitken

Dean Milton

Mitch Soetaert

Myles Morgensen

Addendum 1

Melloy Industrial Services Inc.

Wage Page

	January 1, 2016 0%	January 1, 2017 \$-0.54
Foreman	\$48.02	\$47.48
Lead Hand/Assistant Foreman	\$45.63	\$45.09
B Welder 1/Layout Fitter	\$43.70	\$43.16
B Welder 2*	\$41.61	\$41.07
Journeyman Fitter, Welder, Burner, Steel Fabricator, Crane Operator	\$39.41	\$38.87
Production Worker	\$26.53	\$25.99
Helper	\$23.71	\$23.17
Labourer	\$20.24	\$19.70
Beginners	\$15.72	\$15.18
Student Labourers	\$19.92	\$19.38
Apprentices		
1 st year (60%)	\$23.65	\$23.32
2 nd year (75%)	\$29.56	\$29.15
3 rd year (90%)	\$35.47	\$34.98
Pension	\$ 2.25	\$2.25

*Level 2 will advance to Level 1 after thirty (30) days probation or sooner.

**Base rates will be reduced by \$0.54 per hour in order to maintain all benefit contributions to be remitted on hours earned.

Addendum 2

Melloy Industrial Services Inc.

Letter of Understanding

To facilitate payroll transitions when shop employees transfer to field jobs and back again, the employer may elect to show Holiday Pay and Vacation Pay at the nominal level of 4% and 6% respectively per the Local 146 field agreement.

The differential, whether positive or negative, between the applicable shop percentage and the nominal rate above shall be added to the Base Wages.

CLASSIFICATION	Wage 01-Jan-07	Adjusted Wage Jan 1, 2007 Using 4% HP and 6% VP			
		0-12 months	13-48 months	49-120 months	over 120 months
Foreman	34.65	34.18	34.81	35.43	36.08
Lead hand/Assistant Foreman	32.93	32.48	33.09	33.67	34.27
B-Welder 1/Layout Fitter 1	31.53	31.10	31.67	32.25	32.82
B-Welder 2	30.01	29.60	30.14	30.69	31.24
Journeyman (Fitter, Welder, Steel Fabricator, Crane Operator, Burner)	28.44	28.06	28.58	29.09	29.60
Production Worker	19.15	18.89	19.24	19.58	19.93
Apprentices – (Fitter, Welder, Steel Fabricator)					
1 st Year	17.06	16.83	17.14	17.45	17.76
2 nd Year	21.32	21.03	21.42	21.81	22.19
3 rd Year	25.59	25.24	25.71	26.17	26.63
Helper	17.11	16.88	17.19	17.50	17.81
Labourer	14.60	14.40	14.67	14.93	15.20
Beginners	11.35	11.19	11.40	11.61	11.82
Student Labourers	14.37	14.17	14.43	14.70	14.96
Pension:	1.75	1.75	1.75	1.75	1.75

Sample of how Adjusted Rate were Calculated

B Welder 1 – Effective January 1, 2007

Current Melloy Shop Rates

<u>Compensation</u>	<u>Base</u>	<u>ST</u>	<u>OT</u>	<u>DT</u>
0 – 12 Months Service				
Base	31.53	31.53	47.30	63.06
Statutory Pay	4.5%	1.42	2.13	2.84
Vacation Pay	4.0%	1.26	1.89	2.52
Net Pay		34.21	51.32	68.42

13-48 Months Service

Base	31.53	31.53	47.30	63.06
Statutory Pay	4.5%	1.42	2.13	2.84
Vacation Pay	6.0%	1.89	2.84	3.78
Net Pay		34.84	52.27	69.68

49 – 120 Months Service

Base	31.53	31.53	47.30	63.06
Statutory Pay	4.5%	1.42	2.13	2.84
Vacation Pay	8.0%	2.52	3.78	5.04
Net Pay		35.47	53.21	70.94

Greater than 120 Months Service

Base	31.53	31.53	47.30	63.06
Statutory Pay	4.5%	1.42	2.13	2.84
Vacation Pay	10.0%	3.15	4.73	6.31
Net Pay		36.10	54.16	72.21

Adjusted Melloy Shop Rate Calculation

<u>Compensation</u>	<u>Base</u>	<u>Adj. Base</u>	<u>ST</u>	<u>OT</u>	<u>DT</u>
0 – 12 Months Service					
Base	31.53	(0.43)	31.10	31.10	46.65
Statutory Pay		4.0%	1.24	1.87	2.49
Vacation Pay		6.0%	1.87	2.80	3.73
Net Pay			34.21	51.32	68.42

13 – 48 Months Service

Base	31.53	0.14	31.67	31.67	47.51
Statutory Pay		4.0%	1.27	1.91	2.54
Vacation Pay		6.0%	1.90	2.85	3.80
Net Pay			35.47	53.21	70.94

49 – 120 Months Service

Base	31.53	0.72	32.25	32.25	48.38
Statutory Pay		4.0%	1.28	1.93	2.57
Vacation Pay		6.0%	1.94	2.90	3.87
Net Pay			35.47	53.21	70.94

Greater than 120 Months Service

Base	31.53	1.29	32.82	32.82	49.23
Statutory Pay		4.0%	1.31	1.89	2.63
Vacation Pay		6.0%	1.97	2.95	3.94
Net Pay			36.10	54.16	72.21

**Addendum 3
Melloy Industrial Services Inc.
Apprenticeship Tuition Reimbursement**

Sliding Scale

Course Pass Mark	Percentage of Tuition Fees Reimbursed
70%	70%
71%	72%
72%	74%
73%	76%
74%	78%
75%	80%
76%	82%
77%	84%
78%	86%
79%	88%
80%	90%
81%	92%
82%	94%
83%	96%
84%	98%
85 – 100%	100%

MEMORANDUM OF AGREEMENT

BOILERMAKERS UNION LABEL

The INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, AFL-CIO, CLC recognizes the undersigned EMPLOYER as a BOILERMAKER UNION LABEL EMPLOYER who has signed and approved agreement with this BROTHERHOOD under which skilled workers and members of our craft enjoy a high standard of wages, hours, fringe benefits and other conditions of employment

In consideration thereof the INTERNATIONAL BROTHERHOOD OF BOILERMAKERS now authorizes this EMPLOYER to affix the BOILERMAKER UNION LABEL to products fabricated under the terms of this agreement in his shop or plant. The EMPLOYER agrees to be bound by the following procedures for affixing the Label:

The BROTHERHOOD'S UNION LABEL is the property of the BROTHERHOOD and shall only be affixed to the EMPLOYER'S product by the UNION'S duly authorized UNION LABEL STEWARD. Such steward shall be designated to the Employer in writing by the Union.

This Memorandum of Agreement shall be valid only so long as the EMPLOYER'S LABOUR AGREEMENT with this BROTHERHOOD is approved and in full force and effect.

All the foregoing was agreed to this date _____ at _____, by and between the INTERNATIONAL BROTHERHOOD OF BOILERMAKERS IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, AFL-CIO, CLC and Melloy Industrial Services Inc. (Company)

For the INTERNATIONAL BROTHERHOOD OF BOILERMAKERS



Joseph Maloney, Int'l. Vice-President
Western Canada Section

John Aitken

Dean Milton
Business Manager/Secretary Treasurer,
Boilermakers Lodge 146

Mitch Soetaert