MEMORANDUM OF SETTLEMENT

For a Renewed Collective Agreement

between

Victoria Shipyards Co Ltd

and

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Lodge 191

The undersigned bargaining representatives of Victoria Shipyards Co Ltd acting on behalf of Victoria Shipyards Co Ltd (hereinafter call "the Company"), agree to unanimously recommend to Seaspan ULC Executive for ratification and signature;

AND

The undersigned bargaining representatives acting on behalf of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Lodge 191 (hereinafter call "the Union"), agree to unanimously recommend to the Union membership for acceptance and ratification;

That the Collective Agreement between the Company and the Union commencing March 1, 2016, and expiring February 28, 2021, (hereinafter called the "new Collective Agreement"), shall consist of the following:

1. **Previous Conditions**

   All of the terms of the 2013 - 2016 Collective Agreement continue except as specifically varied below.

2. **Term of Agreement**

   The term of the new Collective Agreement shall be from March 1, 2016, to February 28, 2021, both dates inclusive.

3. **Effective Dates**

   The effective date for all changes to the new Collective Agreement will be the date of ratification of this Memorandum of Settlement, unless otherwise specified.

4. **Appendix "A"**

   The Company and the Union agreed to the amendments to the new Collective Agreement attached to this Memorandum of Settlement as Appendix "A".

5. **Appendix "B"**

The Company and the Union also agree to the amendments to the new Collective Agreement attached to this Memorandum of Settlement as Appendix "B".

6. **Ratification**

The parties expressly agree that, upon the completed signing of this Memorandum of Settlement, the parties shall unanimously recommend the approval of this Memorandum to their respective principals and schedule the necessary meetings to ensure that their principals vote on the recommendations as necessary.

Signed this 12th day of June, 2017.

BARGAINING RESPRESENTATIVES FOR THE COMPANY:

p.d. Dianne Richards

Joe O'Rourke

Steve Baker

Jerry Dardengo

Gina Duncan

BARGAINING REPRESENTATIVES FOR THE UNION:

Gordon White

Ron Wickett

Richard MacIntosh

APPENDIX "A"

Article 3 – Union Representatives

Amend to read as follows:

(a) The Representatives of the Unions may have access to the ~~Company's Shops or Yards~~ work site(s) where employee are working by ~~applying for permission~~ requesting such access though the Employee Relations Manager or designate. Union representatives will not interfere with any employee's assigned work. ~~through the office, provided that eligible workers are not caused to neglect their work. Management may withdraw this privilege for good reason.~~ Access to the work site(s) will not be unreasonably withheld.

(b) A Union representative shall be present at any disciplinary meeting and/or investigative meeting that may lead to disciplinary action against any member of the bargaining unit.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	June 2/16	
		Ronald W Wickett

Article 4 (d) – Union Security

Amend to read as follows:

(d) The Company shall recognize a Shop Steward(s) appointed by the Union which may include Shop Stewards from the "manpower supply Unions". The Company will be provided with a list of all appointed Shop Stewards for each Union.

For any matter pertaining to the interpretation and/or application of the collective agreement, the Company shall only meet with the Business Manager, or his/her appointee, from Local 191. All other matters may be dealt with by the applicable Union Shop Steward, providing that one is available. If the applicable Union Shop Steward is not available, a Shop Steward or other Union Official from Local 191 will deal with the matter.

Unless mutually agreed otherwise, only one (1) Union Shop Steward will be in attendance at meetings where a Shop Steward is required.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	Aug 4, 2016	Ronald W Wickett

Article 4 (e) - Union Security
Amend to read as follows:

(e) Union dues shall be deducted from the employee's first pay ~~cheque~~ of the month.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	June 3/16	
		Ronald W Wickett

Article 5 (e) – Hours of Work - Shift Changes

Amend to read as follows:

(e) Shift Changes – When an employee is instructed to change shifts (Days, Afternoons, and Graveyards) they will be provided ~~8~~ ten (10) hours rest between shifts. If that shift change does not last ~~three (3)~~ two (2) shifts or more the time worked on these shifts shall be paid at overtime rates, unless there is a break of two (2) non-working days or in extenuating circumstances, mutually agreed to between the Parties.

An employee, who has completed their shift, where there is less than ~~8~~ ten (10) hours between shifts, may not be required to report for their shift until there is ~~8~~ ten (10) hours from the time they finished work. In such cases, they will be paid for the portion of the ~~8~~ ten (10) hours which they would have been working on their shift at straight time rates. If required to report to work, without ~~an 8~~ a ten (10) hours break, overtime shall be paid for hours worked within the ~~8~~ ten (10) hours rest period.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	June 3/16	Ronald W Winkett

Article 5 (h) – Coffee Breaks

Amend to read as follows:

(h) There will be a ten (10) minute coffee break in the morning and in the afternoon. The employer will designate coffee break facilities near or on the job site. ~~(Subject to LOU #8)~~

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	May 31/16	
		Ronald W Wickett

Article 5 (o) – Hours of Work – Banked Overtime

Amend to read as follows:

(o) **Banked Overtime**

Employees will have two (2) options per year, January 1st and July 1st, to select one of the following three (3) Banked Overtime options:

i) One hundred percent (100%) cash – no time off.
ii) Fifty percent (50%) cash and fifty percent (50%) time off. (160 hours max.)
iii) One hundred percent (100%) time off. (160 hours max).

Time off will be taken in multiples of two (2) hours:

1. By Company designation, i.e. The Company may require an employee to exercise their banked overtime if the alternative is for that employee to be laid off.
2. By mutual agreement between the Parties.
3. Any banked time over 80 hours will be paid out at the end of each calendar year.
4. At the discretion of the Company, Banked OT may be used by employees to offset sick days in order to maintain their wages. These days will still count towards absenteeism.
5. Once per calendar year the employees may cash out their banked overtime. ~~They will then be switched to 100% cash, option i), until the employee reselects to bank their overtime at the next selection date.~~

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	August 3/2016	
		Ronald W Wickett

Article 7(b) #2 and #3 – Grievance & Arbitration Procedures

Amend to read as follows:

2. Failing settlement within ~~three (3)~~ five (5) business days under Clause 1 above, the particulars shall be set forth in writing by the Party and processed with an officer of the union with an official of the Company.

3. Failing settlement within ~~three (3)~~ five (5) business days under Clause 2 above, it shall then be processed by and officer of the Union with an Official of the Company.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	June 2/16	
		Ronald W Wickett

Article 11(c) – General Provisions – Bereavement Pay

Amend to read as follows:

(c) **Bereavement Pay**. In case of death in the immediate family, each employee shall be granted leave of absence for the purpose of arranging or attending a funeral, to a maximum of three (3) consecutive working days, with full pay. Immediate family shall mean spouse (including common law spouse), children, parent, step-parent, sister, brother, mother-in-law, father-in-law, grandparent, grandchildren. In order to qualify for Bereavement Pay, employees must have completed their probationary period. ~~worked the sixty (60) day probationary period to attain seniority. Employees who are not on the seniority system must have worked sixty (60) days in the previous two (2) years.~~

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	Aug 4, 2016	
		Ronald W Wilcott

Letter of Understanding #6 – Letter of Understanding (if applicable) for Federal Government Contract Work.

Amend to read as follows:

Letter of Understanding (if applicable) for Federal Government or Provincial Government Contract Work.

In the event a Federal Government Ship Building/Repair contract or a Provincial Government contract requires a commitment for a no strike or no lock-out clause as part of the bid process (e.g. JSS), the Parties commit to negotiate in good faith, a Letter of Understanding that will provide the necessary labour stability and be in force for the duration of the contract.

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	June 2/16	
		Ronald W Wickett

Letter of Understanding #8 – Coffee Break (Trial Basis)
Delete

Seaspan Victoria Shipyards Co Ltd	Date	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 191
	May 31/16	
		Ronald W Wicket

APPENDIX "B"

Collective Bargaining

for renewal of the

Collective Agreement

between

Victoria Shipyards Co Ltd (the "Company")

and

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Lodge 191 (the "Union")

that expired on February 29, 2016

Victoria Shipyards Co Ltd Comprehensive Proposal
June 12, 2017

The following is a comprehensive proposal for full and final settlement of collective bargaining between the Victoria Shipyards Co Ltd and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Lodge 191. Any proposal not included or referred to in this document is considered to be withdrawn on a without prejudice basis to either party.

Some proposals may require agreement regarding specific language and/or placement in the collective agreement (E&OE).

Any proposals previously agreed to in the course of bargaining are considered part of the entire package and are to be included in a Memorandum of Settlement.

1. Article 1 – Union Recognition

Amend to read as follows:

The Company recognizes the Union as the exclusive representative of all unionized employees involved in performing work at and from the Company's operations at the Esquimalt Graving Dock.

The Company agrees that it will not enter into any agreement, verbal or written, with any employee which is in conflict with any of the provisions of this Collective Agreement.

2. Article 8 (c) - Probation, Seniority and Recall

Amend to read as follows:

The Company shall have the right to temporarily retain Charge hands out of seniority for the balance of a project (a project being defined as a particular ship or vessel) ~~providing that the Chargehand has been appointed for at least fifty (50%) of the job~~. Also, junior

employees may be temporarily retained out of seniority in order to complete specific short-term jobs they are working on.

Under no circumstances will workers retained out of seniority accumulate seniority credits.

3. **Article 8 (g) – Probation, Seniority and Recall – Union Business Agents**
   Add the following new language:

   Notwithstanding the provisions in Article 8(d), any Boilermaker Local 191 member elected or appointed to the office of Business Manager/ Secretary Treasurer or other full-time union paid position shall be permitted to return to his or her position on the seniority list at the end of their term in union office.

4. **Article 11 (b) – General Provisions**
   Amend to read as follows:

   With respect to Lodge 191 classification, and consistent with Article 11(a) the Company and the Union agree that it is the mutual desire of the Parties to enhance productivity and efficiency ~~be~~ by ensuring uninterrupted, efficient and safe completion of jobs, elimination of inefficient work practices and the fullest utilization of an employee's experience and skill to progress the work. The intention is for one (1) person to perform a one (1) person job and do what is necessary to advance his/her assigned task. For example, during the course of a shift and subject to an employee's demonstrated skills, Shipfitters may be assigned tacking and burning duties. Welders may be assigned fitting duties. The applicable Shop Steward will be kept informed of determination by the Company of newly established one person jobs in advance and given the opportunity to voice any concerns.

   The Union agrees to meet with the Company to discuss and attempt to reach agreement on flexibility between the Boilermaker Union Red Seal trades.

5. **Article 11 (l) – General Provisions**
   Amend to read as follows:

   The Company utilizes outside contractors for all staging due to liability and lack of certified equipment, training and documentation. ~~Existing stagers will be classified as Trades Helpers and offered training opportunities to become journeymen.~~

   Should the Company decide to cease utilizing outside contractors for staging work it is agreed that the Company will recognize that staging is the jurisdiction of Boilermakers 191 and as such will request qualified stagers from the Boilermakers.

6. **Article 11(o) – General Provisions – Maternity & Parental Leave**
   Add a new provision:

   Maternity and Parental Leave. For purposes of maternity and/or parental leave, the parties agree to follow the provisions set out in the *Employment Standards Act*.

7. **Article 12 – Severance Pay**

Add the following language:

An employee who is claiming their retirement is due to ill health may be required to provide medical documentation acceptable to the Company.

8. **Article 14 – Monetary Package**

Amend to read as follows:

Wages Increases:

Date	Wages	HW & P
March 1, 2017	3.75%	
March 1, 2018	2.0%	.20
March 1, 2019	2.0% or COLA[1] whichever is greater	.10
March 1, 2020	2.0% or COLA[1] whichever is greater	.10

[1] In the event that the average annual all items Victoria CPI exceeds 2.20% in the year prior to the contractual increase the wages will be increased by the amount above 2% to a maximum of 3%.

Wages may be allocated to benefits and/or pension (HW & P) at the discretion of the appropriate Union with 30 days written notice prior to the contractual anniversary each year.

9. **Article 16 – Apprenticeship Wage Scale**

Amend to read as follows:

The rates of pay for Apprentices, shown as a percentage of the Journeyman rate are:

1st Term	850 Hours and six months	55%
2nd Term	850 Hours and six months	60%
3rd Term	850 Hours and six months	65%
4th Term	850 Hours and six months	70%
5th Term	850 Hours and six months	75%
6th Term	850 Hours and six months	80%
7th Term	850 Hours and six months	85%
8th Term	850 Hours and six months	90%
9th Term*	850 Hours and six months	95%

*9th term is for five (5) year programs

- School hours are included as part of apprenticeship hours identified above.
- Apprentice will receive trade rate upon verification of Trade Qualification by the Company.
- The increase will be in accordance with the above and the completion of the required school period. Unforeseen circumstances will be discussed.
- The Company may adjust the requirements to recognize previous experience and Trade Qualification challenges as necessary.
- The Unions agree to provide the Company with the required documents needed to obtain any tax credits, grants or government funds related to Apprentices.

Committee Composition

The Committee shall be comprised of equal representation of Management representatives and Union representatives who will meet on a bi-monthly basis with the following Terms of Reference:

Terms of Reference

- Ensure all Apprentices are employed in accordance with the provisions of ~~the British Columbia Apprenticeship Act~~ applicable Provincial Legislation and all requirements of the Industry Training Authority (ITA) for Apprenticeship training are incorporated into the Company Apprenticeship Training Program;
- Make recommendations to Senior Management on the operation of the VSL Apprenticeship Training Program;
- Review the work activity and trade requirements and make recommendations to senior management to determine the number of Apprentices to Journeypersons in each classification;
- Identify trades where apprenticeships are required and should be established;
- Monitor and review the job training and progress of apprentices, including trade/apprentice ratios;
- Develop competency based assessment criteria for the selection of Apprentices.

Apprenticeship Principles

Apprentices are employees in training and entitled to:

- Instruction in all aspects of the trade being learned including the use of tools.

- The support of Supervision and Journeyperson working on the job on which Apprentices are employed. Under the guidance of the Journeyperson and Supervisor the Apprentice may perform any part of the trade of a Journeyperson.

Attendance and training at a recognized vocational institute in accordance with the ITA/Apprenticeship contract and/or any other formal training recommended by the Company.

10. Article 17 (a) – Duration

Amend to read as follows:

This Agreement shall remain in effect to ~~February 29, 2016~~ February 28, 2021, and shall continue from year to year thereafter subject to the right of either Party, within four (4) months immediately preceding the expiry date of the anniversary date in any year thereafter, by written notice to the other Party, to require collective bargaining to commence with a view to bargaining a renewal Agreement.

11. Letter of Understanding #7 – COPE 378

Amend to read as follows:

Letter of Understanding #7 – ~~COPE~~ MoveUP 378

12. Letter of Understanding – Wage Classifications/Rates – Labourers

Add a new letter of understanding to read as follows:

Entry Level Unskilled Probationary	Unskilled Probationary	Unskilled (US)	Semi-Skilled (SS)	Trade Rate (TR)
All labouring duties / tasks	All labouring duties / tasks	Fire Watch	Power Tool Cleaning	Spray Painting
		Hole Watch	Forklift Operation (all sizes)	Spraying A1A (lead)
		Cleaning	Manlift Operation	Pot Tending
		Degreasing	Lead Removal	Painting Brush & Roll
		Janitorial (all aspects)	Vec Loader Operator	Sand Blasting
		Tarping / Containment	Slurry Vac Operator	Wheelabrator Operator
		Line Handling (on or off the vessel)*	Sand Blast Equipment Repair	Shop Mechanic
		Hand Tool Cleaning	Rescue Team Member (on rescue or designated)	Epoxy Troweling
		Masking / Equipment Protection		Power Washing (operator)
		Deck Protection		Steam Cleaning (operator)
		Steam Clean Attendant		
		Power Wash Attendant		
		Truck / Van Driving		
		Vec Loader Attendant *		
		Slurry Vac Attendant *		
		Flag Person / Crane monitor		
		Wheelabrator Attendant *		
		Waste Management *		
		Machinery Clean-Up and Fueling		

*Indicates a change

The above wage/classification schedule is set out for the sole purpose of defining labourer rates of pay. The above shall not be relied on by any party for the purpose of advancing any jurisdictional claim or dispute.

13. Stabilization Fund

The parties agree that the stabilization fund contribution of $0.12 per hour will be discontinued as at June 30, 2017, in accordance with the provisions of the rules of the Stabilization Fund. Any outstanding amount owed associated with the creation Stabilization Fund and/or the termination of the Stabilization Fund will be paid, in priority, by the fund. The remaining monies in the Stabilization Fund will be moved to a Victoria Shipyards Training Fund to be used at the Company's discretion for training of the employees covered by this collective agreement. Effective July 1, 2017, the contribution of $0.12 per hour will be redirected from the Stabilization Fund to each applicable union's training fund.

14. Signing Bonus

The Company will pay a signing bonus to any employee who worked 160 straight time hours or more between March 1, 2016, and February 28, 2017 (both dates inclusive), based on the following:

a) employees who accumulated 1,200 or more earned hours* during the above noted period will receive a signing bonus payment of $1500 less statutory deductions; and

b) employees who accumulated less than 1,200 earned hours* during the above noted period will receive a signing bonus payment of $750 less statutory deductions.

It is understood that employees who worked less than 160 straight time hours between March 1, 2016, and February 28, 2017, will not receive a signing bonus.

* Earned hours include straight time hours worked plus overtime hours worked.

BARGAINING RESPRESENTATIVES FORTHE COMPANY:

Dianne Richards

Joe O'Rourke

Steve Baker

Jerry Dardengo

Gina Duncan

BARGAINING REPRESENTATIVES FOR THE UNION:

Gordon White

Ron Wickett