



**COLLECTIVE AGREEMENT**

**between**

**LEAR CORPORATION**

**KITCHENER PLANT**

**and**

**C.A.W.**

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION &**

**GENERAL WORKERS UNION OF CANADA**

**(CAW - CANADA)**

**and its**

**LOCAL UNION #1524**

**January 1, 2007**

## INDEX

		Page
	Purpose of the Agreement.....	5
	Preamble.....	5
Article 1	Recognition.....	6
Article 2	Non-Discrimination.....	6
Article 3	Reservations to Management.....	6
Article 4	Strikes, Stoppages and Lockouts.....	7
Article 5	Union Security and Check-off.....	7
Article 6	Union Representation.....	9
Article 7	Grievance Procedure.....	14
Article 8	Disciplinary Action.....	19
	Discharges and Warnings.....	20
Article 9	Seniority.....	21
	Probationary Period.....	21
	Seniority Date and Lists.....	21
	Temporary Work Assignments.....	22
	Job Postings.....	25
	Loss of Seniority.....	29
	Layoff and Recall.....	30
	Seasonal Layoff for Model Change.....	35
	Preferential Seniority.....	36
	Return Rights to Bargaining Unit.....	38
Article 10	Leave of Absence.....	38
	Personal.....	38
	Sick Leave.....	38
	Pregnancy/Paternity Leave of Absence.....	39
	Union Office.....	39
	Education.....	40
	Social Justice Fund.....	41
	General.....	41
Article 11	Hours of Work.....	42
	Overtime.....	43
	Reporting In Allowance.....	48
	Call In Allowance.....	49
	Rest Periods and Wash-up.....	50
	Paid Holidays.....	51
	Jury Duty.....	54
	Bereavement.....	54
	Shift Premiums.....	55
Article 12	Vacations.....	55
Article 13	Day Rates.....	59
	Work Measurement.....	61
	Disputes on Day Rates.....	62

Article 14	Standards and Incentive Rates.....	63
	Work Measurement.....	67
	Disputes on Work Standards or Incentive Rates.....	68
Article 15	Skilled Trades.....	69
Article 16	Cost-of-Living Allowance.....	81
Article 17	Insurance Plan / Legal Services Plan.....	82
Article 18	Supplemental Unemployment Benefits / Severance Pay Benefits.....	82
Article 19	Pension Plan.....	82
Article 20	General.....	82
	Bulletin Boards.....	82
	Change of Address.....	83
	Personnel Outside Bargaining Unit.....	83
	Lead Hands.....	84
	Hiring Rate.....	84
	Appendices.....	84
Article 21	Health and Safety.....	85
Article 22	Plant Movement.....	90
Article 23	Duration.....	91
Appendix "A"	Job Classifications and Rates, Non-Incentive & Incentive...	93
Appendix "B"	Job Classifications and Rates, Skilled Trades.....	94
Appendix "C"	Areas of Union Representation.....	95
Appendix "D"	Apprenticeship Standards.....	96
Appendix "E"	Letter Numbers.....	115
	# 1 - Local Union Time Study Representative.....	115
	# 2 - Union Representative Time Off the Job.....	116
	# 3 - Sub-Contracting Non-Skilled.....	116
	# 4 - Dept. # 39.....	117
	# 5 - Employee Assistance.....	117
	# 6 - Employee Involvement in Court Proceedings.....	118
	# 7 - Physician Fees.....	118
	# 8 - Metric Tools.....	119
	# 9 - Small Tool Repair.....	119
	#10 - Able to Perform.....	119
	#11 - Job Ownership.....	120
	#12 - Statutory Holiday Pay.....	122
	#13 - Set-up Welder.....	122
	Set-up Press.....	123
	#14 - Leaves of Absence.....	124
	#15 - Advance Payments Against Future E.I., Compensation and Insurance Carrier Disability Benefits.....	125
	#16 - New Technology.....	126
	#17 - Non-Discrimination / Harassment.....	126
	#18 - New Program Launch.....	131

#19 - Labour Standards.....	131
#20 - Repayment of Unemployment Insurance Disability Insurance Benefits.....	132
#21 - Employees on a Modified Work Plan.....	132
#22 - MIG Welder Training.....	132
#23 - Sub-contracting Skilled.....	133
#24 - Emergency Release Program.....	134
#25 - Containers.....	134
#26 - Consolidation of Department and Classifications.....	134
#27 - Drug Testing.....	135
#28 - Skilled Trades Employment Levels.....	135
#29 - Tool room Equipment.....	135
#30 - Arbitration - Commissioner Style.....	136
<b>#31 - Seamless Shift</b> .....	136
#32 - Layoff and Recall - Combined Classifications.....	137
#33 - Off Site Assignments.....	137
#34 - Shift Start-up.....	137
#35 - Six Sigma.....	138
#36 - Continuous Improvement/Kaizen.....	139
#37 - Assignment of Skilled Trades.....	139
#38 - Skilled Trades Training.....	139

This Agreement made the **10<sup>th</sup> day of November 2006**, between Lear Corporation, Kitchener Plant, hereinafter referred to as the "Company", and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW - Canada) and its Local Union #1524, hereinafter referred to as the "Union".

### **Purpose of the Agreement**

The general purpose of this Agreement is to provide an orderly collective bargaining relationship between the Company and the Union, to secure prompt and fair disposition of grievances, and to prevent interruptions of work and interference with the efficient operation of the Company's business, consistent with the terms of this Agreement.

### **Preamble**

The objective of the Lear Corporation plant located in Kitchener, Ontario, Canada is to operate a cost effective assembly plant which provides outstanding service to our customers through a high quality product, just-in-time delivery, and responsiveness to their needs.

We intend to achieve high levels of productivity through the effective utilization and integration of people, materials, equipment and technology. We will treat our employees, customers, and suppliers, with dignity and respect.

Our commitment to excellence requires the active involvement of all our employees and a safe work environment which emphasizes trust, employee and organizational growth and development, sensitivity to individual needs and values: and our responsibilities as a member of the Kitchener community.

The Company recognizes the importance of the employment security it affords its employees and shares the desire of the Union to preserve those jobs and to create new jobs in the world market. The Company reaffirms its objective to remain a viable domestic enterprise and declares its intention to achieve a competitive posture within a framework which contributes to the job security of employees and which is responsive to the changing markets characterizing our industry.

It is believed that the principles expressed in this preamble will contribute significantly to our cooperatively working together to provide Lear Corporation employees in Canada with improved job security.

## **ARTICLE 1 - RECOGNITION**

The Company hereby recognizes the Union as the sole and exclusive bargaining agent for those employees subject to this Agreement, in its plant(s) at Kitchener, Ontario, for the purpose of collective bargaining with respect to rates of pay, hours of work, and other conditions of employment, subject to and in accordance with the provisions of this Agreement. For the purpose of this Agreement, the term "employees" as prescribed by the Certification issued by the Ontario Labour Relations Board dated January 29, 1968 shall not include: Supervisors, persons above the rank of Supervisor, Nurses, Plant Guards, Office, Clerical and Sales staff. Where the male pronoun is used to represent an employee, it is understood and agreed that it is applicable to female employees as well.

## **ARTICLE 2 - NON-DISCRIMINATION**

**2.01** There shall be no discrimination, interference, restraint, or coercion by or on behalf of the Company regarding any employee because of membership in the Union. The Union, its members and/or agents shall not intimidate or coerce or attempt to intimidate any employee of the Company and shall not on Company time or premises conduct Union activities except as herein expressly provided.

**2.02** The Company and the Union agree to observe the provisions of the Ontario Human Rights Code (the "Code") and are committed to providing a workplace free of discrimination and harassment. All employees are expected to treat all persons with courtesy and consideration and must not engage in discrimination or harassment based on a prohibited ground contrary to the Code. Prohibited grounds are race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offenses, marital status, family status or disability, as defined in the Code.

## **ARTICLE 3 - RESERVATIONS TO MANAGEMENT**

**3.01** The Union recognizes the right of the Company to hire, promote, transfer, demote and layoff employees and to suspend, discharge or otherwise discipline employees for just cause subject to the right of any employee to lodge a grievance in the manner and to the extent herein provided.

**3.02** The Union further recognizes the right of the Company to operate and manage its business in all respects, to maintain order and efficiency in its plant(s), and to determine the location of its plant(s), the products to be manufactured, the scheduling of its production and its methods, processes, and means of manufacturing.

**3.03** The Union further acknowledges that the Company has the right to make and alter, from time to time, rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement. Any changes to these rules and regulations will be meaningfully discussed with the Bargaining Committee before publication.

**3.04** Nothing in this Agreement shall be deemed to restrict management in any way in the performance of all functions of management except those specifically abridged or modified by this Agreement.

**3.05** The Company and the Union agree that in the exercise of each of their rights and in the administration of this Agreement they shall endeavor to do so in a fair and reasonable manner.

**3.06** The union agrees that it will endeavor at all times, to cooperate with the Company in reducing absenteeism, increasing productivity, and improving quality.

#### **ARTICLE 4 - STRIKES, STOPPAGES AND LOCKOUTS**

Inasmuch as this Agreement provides orderly procedures for the settlement of employee grievances, and for the handling of other matters, the parties hereto agree that there shall be no strikes or lockouts during the life of this Agreement. The words, "strikes" and "lockouts" as used herein are agreed to have the meanings defined for those words in the present Ontario Labour Relations Act.

#### **ARTICLE 5 - UNION SECURITY AND CHECK-OFF**

**5.01** All present seniority employees will be required to continue to be members of the Union as a condition of employment for the duration of this Agreement.

**5.02** Present probationary employees and newly hired employees, upon completion of the probationary period, shall become members of the Union, and will be required to continue to be members of the Union as a condition of employment for the duration of the Agreement.

**5.03** The Company will deduct from the pay of each employee, including new hires, the monthly dues and other assessments authorized by the constitution of the Union. The initiation fee shall be taken off the following pay period after the employee has completed his/her probationary period. This deduction will be shown in a separate column on the Union dues list described in 5.04.

Union dues will be voluntarily deducted from the monthly benefits payable to a retired employee at a rate of one dollar (\$1.00) per month and will be forwarded to the Financial Secretary of the Local Union.

The Union dues shall be taken off the following pay period after an employee has worked forty (40) hours in any one (1) calendar month. Union dues shall be calculated on the basis of the average of an employee's total earnings as defined in the constitution and bylaws of the National and Local Union for the previous calendar month.

The Company will authorize the Trustee under the Supplemental Unemployment Benefit Plan to deduct as provided in the Plan from each employee's regular Supplemental Unemployment Benefits the monthly dues and other assessments authorized by the constitution of the Union.

The Union will notify the Company, in writing, two (2) weeks in advance of the relevant month of any changes in the monthly deductions to be made.

The Company agrees to include on an employee's T-4 slips for income tax purposes, the total Union dues paid for the year excluding any initiation fees.

**5.04** A list of the total number of employees along with all sums deducted as above shall be remitted by the Company to the Financial Secretary of the Local Union by the 15th of the month following the end of the month in which the deductions were made.

This list will contain the employee's name, badge number, address and telephone number, along with the amount of such deductions and the reason, if any, why no deductions were made from certain employees. This list will also indicate any employee whose employment is terminated, transferred out of the Bargaining Unit, on layoff, leave of absence, or died.

The Company shall also provide the Financial Secretary, Benefits Representative and the Plant Committee Chairperson of the Local Union with a monthly alphabetical employee list.

The Company will reimburse an employee any dues that have been deducted in error as long as the claim has been submitted to the Company before the last day of the calendar month in which the deductions were made.

**5.05** The recording in the books of the Company of the amounts so deducted shall constitute such amounts as monies held by the Company in trust for the Union.

**5.06** A probationary employee shall have the right to become a member of the Union by paying the initiation fees and complying with the constitution and by-laws of the Union.

**5.07** Any dispute as to an alleged breach of the provisions of this article or as to the interpretation of any of the terms or conditions thereof shall be dealt with under the Grievance Procedure beginning at Step III.



**5.08** The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this article, or in reliance on any lists, notice or assignment furnished under such provisions.

## **ARTICLE 6 - UNION REPRESENTATION**

The Union shall be represented as follows:

**6.01** By Stewards whose respective areas of representation and jurisdiction are shown in Appendix "C".

**6.02** By **three (3)** Divisional Committee people, whose respective area of representation and jurisdiction are shown in Appendix "C".

**6.03 (A)** By one (1) Local Union Time Study Representative whose functions shall cover the reviewing of work standards deemed necessary by the Union.

**(B)** By one (1) Local Union Benefits/W.S.I.B. – E.A.P. Representative who will be appointed by the C.A.W. National President, whose functions will cover the presenting and adjusting complaints concerning Exhibits A, B, and C of the Collective Agreement the presenting and adjusting of complaints concerning Workers' Compensation claims.

**(C)** By two Human Rights Representatives, one male and female, who will be appointed by the CAW National President. **These representatives will be permitted a reasonable amount of time during their regularly scheduled working hours but shall not exceed a combined total of 10 hours in any week while functioning in accordance with Letter #17.** The female union representative will be recognized as the Women's Advocate

**6.04** By a Plant Committee Chairperson whose function shall cover all divisions of the Company's operations.

**6.05** The Committee-people in 6.02 together with the Plant Chairperson shall form the Plant Committee for the purpose of meeting with management for the administration of this Collective Agreement.

**6.06** Stewards, Committee-people, Local Union Time Study Representative, Local Union Benefits/ W.S.I.B. - E.A.P. Representative, and the Plant Committee Chairperson shall be employees of the Company with seniority.

**6.07** The Committee-people, Local Union Time Study Representative, Local Union Benefits/ W.S.I.B. - E.A.P. Representative and the Plant Committee Chairperson will be retained on the day shift only.

**6.08** There will be a Chief Steward appointed by the Union from the Steward body to represent the employees on the afternoon and night shift.

**6.09** Any increase or decrease in the number of Stewards, Committee-people required due to an increase or decrease in the work force during the term of this Agreement will be made by mutual agreement between the Union and the Company.

**6.10 (A)** The Plant Committee outlined in 6.05 will constitute the Bargaining Committee for the purpose of contract negotiations with the Company and such meetings will be paid for by the Company.

**(B)** The Local National Representative will be present at contract negotiations.

**6.11 (A)** The company shall provide an office with desks chairs, filing cabinets, a desktop computer equipped with standard software, a printer / fax / photo- copier combination with a fax line, and two (2) telephones (one with speaker- phone & call display capability) with separate extensions. This office will be used by the Plant Committee Chairperson for the discharge of his/her duties.

**(B)** The Company shall provide an office for each two (2) Committee people including desks, chairs, one (1) filing cabinet, one desktop computer with standard software, a printer to be shared within the Union group, and two (2) telephones in each, with separate extensions. These offices will be used for the discharge of their duties.

**(C)** The Company shall provide an office for the Local Union Time Study Representative and for the Local Union Benefits/W.S.I.B. - E.A.P. Representative. Each office will include one desk, one filing cabinet and two chairs. These offices will be used for the discharge of their duties.

**(D)** The Company shall provide a locked office for the Health and Safety Representatives including three (3) filing cabinets, desk, chairs, one desktop computer with standard software, access to the printer to be shared within the Union group, and telephones. The Human Rights Representative will utilize this office when conducting investigations and will be provided with a confidential file cabinet.

**(E)** All telephone calls will be limited to local outside calls by Union representatives only.

**6.12** The tri-annual election of in-plant Union representatives, and Executive Board members shall be held on the Company premises. Prior to the election, the Plant Committee Chairperson and the Manager - Industrial Relations will determine suitable locations, times and date for voting.

**6.13** Union representatives will adhere to the following procedures:

**(A)** He/she must request and receive permission from his/her Supervisor or the Supervisor's designated representative to leave his/her work for the purpose of presenting and adjusting complaints and grievances arising in his/her zone or division in accordance with the Grievance Procedure provided herein and to attend any regularly scheduled meetings with Company representatives, or for any other meeting for which prior consent of the Manager - Industrial Relations is required. Such permission shall not be unreasonably withheld. The Company will have a reasonable period of time to provide a suitable replacement when required for continuance of production. The Union representative must inform his/her Supervisor as to the nature of his/her business, the destination and probable duration of his/her absence.

**(B)** He/she must not enter a department or area other than his/her own without notifying the Supervisor of such department or areas of his/her purpose before proceeding with the presentation or adjustment of complaints and grievances arising in his/her area of representation.

**(C)** The Company will also grant permission to Union Stewards to use the Union office for the purpose of reviewing complaints and grievances with their respective committeeperson.

**(D)** A notation will be made on his/her daily production or non-production card of the time spent on Union business and such notation must be signed by the Supervisor before any payment for lost time due to Union duties is made.

**(E)** A Union representative who fails to comply with this Clause may be denied payment for lost time as outlined in Clause 6.16 (A), (B), (C), (D), (E), (F), and 6.18.

**(F)** When an employee wishes to see a Union representative he/she shall notify his/her Supervisor who will inform the representative of the request within a reasonable period of time.

**(G)** The Company shall ask an employee if he/she wants his/her WSIB representative or alternate union representative in attendance when he/she is taken to an office for an interview regarding his/her compensable illness/injury.

**6.14** In the application of this Article, there shall be no suspension of work by any employee without the express permission of the employee's immediate Supervisor.

**6.15** The Union recognizes and agrees that the employees covered by this Article have regular duties to perform in connection with their employment and therefore the business of administering this Agreement will be carried out with the least possible loss of time from such regular duties.

**6.16 (A)** A steward will be permitted a reasonable amount of time during the regularly scheduled working hours but shall not exceed the following scale:

- |      |                   |                 |
|------|-------------------|-----------------|
| i.   | 10-20 employees   | 5 hours weekly  |
| ii.  | 21-40 employees   | 7 hours weekly  |
| iii. | 41-60 employees   | 12 hours weekly |
| iv.  | 61-80 employees   | 14 hours weekly |
| v.   | 81-100 employees  | 18 hours weekly |
| vi.  | 101-130 employees | 24 hours weekly |

For weeks in which a paid holiday falls:

- |      |                   |                 |
|------|-------------------|-----------------|
| i.   | 10-20 employees   | 4 hours weekly  |
| ii.  | 21-40 employees   | 6 hours weekly  |
| iii. | 41-60 employees   | 10 hours weekly |
| iv.  | 61-80 employees   | 12 hours weekly |
| v.   | 81-100 employees  | 16 hours weekly |
| vi.  | 101-130 employees | 22 hours weekly |

If the number of employees in a department on the shift increases above 130 the Stewards weekly hours will be increased by 3 hours for each 30 employees.

**(B)** A Divisional Committeeperson will be allowed the full time of his/her regular shift.

**(C)** Except as otherwise provided herein, the Local Union Time Study Representative will be allowed a maximum of twenty (20) hours weekly, (sixteen (16) hours weekly in which a paid holiday falls), in order to review work standards deemed necessary by the Union.

**(D)** The Local Union Benefits/ W.S.I.B. - E.A.P. Representative will be permitted the full amount of time during his/her regularly scheduled working hours in order to review all complaints and disputes which may arise concerning Exhibit A, B and C of the Collective Agreement and to review all complaints and disputes which may arise concerning any Workplace Safety & Insurance Board claims and/or provide necessary assistance to employees.

**(E)** A Chief Steward will be permitted an additional period of five (5) hours for each week (four (4) hours weekly in which a paid holiday falls), over the maximum he/she is allowed as a Steward in (A) above.

**(F)** The above times will be for the purpose of presenting and adjusting complaints and grievances arising in his/her area of representation in accordance with the grievance procedure provided herein.

**6.17** The President of the Local Union will be entitled to be present at meetings with management deemed necessary by the Union at the expense of the Union.

**6.18** The Plant Committee Chairperson will be allowed the full time of his/her regular shift, for the purpose of acting expressly provided in the Agreement, for time spent on Company premises or at the Local Union office when related with in-plant problems. He/she will receive the prior permission of the Manager - Industrial Relations or his/her designate before leaving Company premises.

**6.19** Union representatives will be paid as follows:

Stewards & Human Rights Representative - average hourly earnings.

Committee people, Local Union Time Study Representative, Local Union Benefits/ W.S.I.B. - E.A.P. Representative, and Health & Safety Representative - twenty (20) cents below the highest paid classification covered in this Agreement or his/her own classification rate whichever is the greater.

Plant Committee Chairperson - at the rate of the highest paid classification covered in this Agreement.

Alternates – average hourly earnings.

Such payment shall apply for all hours as outlined in this Article.

**6.20** The Plant Committee Chairperson and the Manager - Industrial Relations shall arrange, in advance, all meetings not specified in the Grievance Procedure.

**6.21** The Union may designate an alternate who will function in the absence from the plant of any Union representative covered in Appendix "C". No full time alternate will be authorized for the Local Union Benefits/WSIB – E.A.P. Representative or the Health & Safety Representative for the posted vacation period or for any absences of less than 5 days. Notice of such alternate shall be given to the appropriate management representative in writing before such alternate shall function. There shall be no duplication of payment in the case of a Union

representative being absent from the plant. The alternate must be a seniority employee who is scheduled to work during such absence.

**6.22** The hours of work for the Plant Committee, Local Union Benefits/ W.S.I.B. - E.A.P. Representative and Local Union Time Study Representative will be the hours of work scheduled for the day shift. Access to his/her area of representation, at times other than those regularly scheduled, may only be permitted by the Plant Manager or Night superintendent upon prior notification of the purpose and he/she must report to the Plant Security on entering or leaving the plant.

**6.23** The Company will grant upon request of the President of the Local Union, or the Plant Committee Chairperson permission for up to eight (8) Union members **(and up to fifteen (15) to attend the monthly Union meeting)** in total to leave the plant on Union business at any one time, without pay, providing such request is made, in writing or electronically, at least three (3) working days in advance to the Manager - Industrial Relations or his/her designate. The President and the Bargaining Committee will be included in eight (8) members and will be allowed time off to represent other Local Union members. Alternates will not be provided for the Bargaining Committee during these periods of absence. It is understood that in the event of an emergency situation resulting in less than the required notice, such permission shall not be unreasonably withheld. Such notice will specify the nature of the business, the leaving and returning time of those granted such permission.

**6.24** Any abuse of the privileges granted in this Article may become the subject of a complaint or grievance by the Company.

**6.25** The Union agrees to notify the Company, in writing, the names of Union representatives and Local Executive and any changes in the membership thereof.

**6.26** The Company shall give the Union a list of management personnel who will be dealing with the Union in the discharge of this Agreement and shall notify the Union of any changes thereto.

## **ARTICLE 7 - GRIEVANCE PROCEDURE**

**7.01** Any complaint alleging violation, misinterpretation or misapplication of the terms of this Agreement relating to rates of pay, wages, hours of work or any other working condition shall first be taken up orally by the employee and his/her Steward with the employee's immediate supervisor.

**(A)** If after the above oral discussion has taken place, any such complaint which remains unsatisfied may then be reduced to writing by the Steward, on the form provided by the Company and signed by the employee, and shall then constitute a grievance. All grievances must identify the Article, Clause or Clauses of this Agreement which are claimed to have been violated. No grievance will be

invalidated for not meeting the requirements of this provision and will be processed on its merits once the grievance has been properly completed.

**(B)** On a group complaint, the Steward shall first discuss such complaint with the immediate Supervisor. Either party may request that one or more employees be present during such discussion. If the complaint remains unsatisfied, the Steward may then reduce the complaint to writing and signed by the aggrieved employees, it shall then constitute a grievance.

**(C)** It is agreed that when the nature of the complaint is such that the Steward requires assistance, he/she may request through the Supervisor, the presence of the Committeeperson/Chief Steward during such oral discussion.

**(D)** It is agreed and understood that all complaints and grievances must be presented within five (5) working days from the time the alleged breach became known or should become known to the aggrieved employee or party.

**7.02** Step I. The written grievance, as defined above, will be presented by the Steward to the Supervisor. Within two (2) working days of this presentation, the Steward shall meet with the Supervisor, discuss the grievance and the Supervisor will render his/her decision personally to the Steward, noting his/her conclusion in writing and countersigning the Grievance form. Any settlement of grievances at this step shall be without prejudice or precedent.

**7.03** Step II. If no agreement is reached at Step I, then within two (2) working days of that decision the Committeeperson shall take up the grievance with the General Supervisor, or his/her designate. Within two (2) working days of this presentation, the recipient will render his/her decision personally to the Committeeperson, noting his/her conclusion in writing and countersigning the Grievance Form. If the General Supervisor or his/her designate and Committeeperson mutually agree, the employee, Steward and Supervisor involved may participate in Step II.

**7.04** Step III. If no agreement is reached at Step II, then within five (5) working days of that decision the Plant Committee Chairperson may appeal the grievance to the Manager - Industrial Relations or his/her designate. The grievance will then be discussed at a meeting between the Plant Committee and the Company. Such meeting shall be arranged between the Manager - Industrial Relations and the Plant Committee Chairperson when deemed necessary and an agenda will be submitted forty-eight (48) hours prior to the scheduled meeting date.

Within five (5) working days after such meeting, the Manager - Industrial Relations or his/her designate, shall give a written answer on the grievance to the Plant Committee Chairperson.

**7.05** Step IV. In the event that arbitration of a grievance which has been properly processed through the Grievance Procedure is desired by either party, then the other party shall be notified in writing not later than fifteen (15) working days after receipt of the reply given in writing on the grievance under Step III.

Such grievance may then be referred to the appropriate impartial umpire listed in 7.07.

**7.06** Grievances appealed to arbitration will be presented to the Arbitrators hereinafter. Only grievances relating to the same violation or alleged violation of this Agreement may be grouped for such arbitration hearing before the appropriate Arbitrator. Submission of grievances to the Arbitrators will be determined in this order:

- (A) By the date of the Company's reply to the grievance at Step III of the Grievance Procedure.
- (B) By the date the grievance was filed
- (C) By the grievance number

Grievances concerning suspension, discharge, interpretation of the Agreement including Welfare Plan, shall be processed to arbitration prior to all other types of grievances unless mutually agreed otherwise.

**7.07** The following constitutes the list of the Arbitrators:

General Arbitrators:

Pamela Picher	Martin Teplitsky
Gail Brent	Professor Peter G. Barton
Dean Wesley B. Rayner	Maureen K. Saltman
Morley Gorsky	Jane Devlin
Ian Hunter	R.L. Kennedy

Either party to this Agreement may, within thirty (30) days prior notice to the other party, delete the name of any Arbitrator from the above list unless he/she has been selected to hear an arbitration case which has not been heard but for which a date has been set. Following the giving of such notice the Manager - Industrial Relations and the Local National Representative will meet in an attempt to agree to an Arbitrator to be added as replacement. However, if agreement cannot be reached within five (5) working days the parties agree to request the Minister of Labour of Ontario to appoint an Arbitrator.



**7.08** If an Arbitrator is unable to specify a date agreeable to both parties for the arbitration hearing within seven (7) days from the date the grievance is submitted to him/her, the parties will agree to request another Arbitrator to provide such a date.

**7.09** The Arbitrator shall not have the jurisdiction or authority to alter or modify any of the provisions of this Agreement, or substitute any new provisions in lieu thereof, or to give any decision inconsistent with the terms and provisions of the Agreement, except as noted in 8.04 of the Agreement.

**7.10** The decision of the Arbitrator shall be final and binding upon the parties and any employee affected by it.

**7.11** Each party shall bear the expenses of preparing and presenting its own case, including the wages or salaries of its witnesses, and an equal share of the fees and expenses of the Arbitrator.

**7.12** It is agreed that the Local National Representative or his/her designate may be present at Step III of the Grievance Procedure. In the event that further representation of the National Union is required in special circumstances, reasonable notice shall be given.

**7.13** Any grievance not carried to the next step within the time limits prescribed herein, or within such extensions as may have been agreed to in writing, shall automatically be settled on the basis of the last decision given by the Company. The Union may withdraw, without precedent or prejudice to any case, a grievance which has been referred to any step of the Grievance Procedure, and the Company may settle, without precedent or prejudice to any other case, a grievance which has been referred to any step of the Grievance Procedure.

**7.14** Incentive employees shall be paid 150% of their base rate, non-incentive employees shall be paid their base rate when participating in the Grievance Procedure, except for Stewards, Committee people, Local Union Time Study Representative, Local Union Benefits/ W.S.I.B. - E.A.P. Representative, Human Rights Representative and the Plant Committee Chairperson, who will be paid as outlined in clause 6.19 of this Agreement.

The above payment shall also apply for Step IV of the Grievance Procedure, to a maximum of four (4) Union members, except that incentive employees will be paid 200%.

**7.15** The Local Union Time Study Representative, Local Union Human Rights Representative and the Local Union Benefits/W.S.I.B. - E.A.P. Representative may participate in grievance meetings for the period of time required to discuss such grievances only. They will be paid as outlined in Clause 6.19 of this Agreement.

**7.16 (A)** Where a grievance involves the payment of back wages and the employee has sustained his/her charge, the Company will be required to pay back wages from the time mutually agreed upon during the settlement of the grievance, but never sooner than the established time the grievance was brought to the attention of the Company by the aggrieved employee. However, if the circumstances of the case made it impossible for the employee to know that he/she had grounds for such claim, prior to that date, the claim shall be limited retroactively to a period of twenty (20) working days prior to the date the claim was first filed in writing.

**(B)** When an employee receives back pay on a grievance he/she shall be paid on a separate direct deposit, (provided the back pay is more than \$100.00), within five (5) working days of the final disposition unless the circumstances make it impossible in which case he/she shall be paid within fifteen (15) working days unless mutually agreed otherwise. The Union will be given a memo noting the amount of back pay and the date such payment will be made to the employee. The employee will also receive a memo on a back pay of less than \$100.00.

**(C)** An employee will receive the actual earnings he/she was deprived of at the time of the grievance. When unable to determine actual earnings, an employee will receive the rate of the job plus COLA on a grievance related to non-incentive, or his/her average earnings plus COLA if related to incentive. It is agreed there will be no duplication on payment of COLA.

**(D)** When a grievance is resolved that affected an employee's average earnings, the back pay will be calculated into the employee's average earnings at the time the back pay is made.

**7.17** The Union hereby agrees the Company has the right to file a grievance against the Union. Such grievance will commence at Step III.

**7.18** The Plant Committee Chairperson may file a Policy Grievance with the Manager - Industrial Relations or his/her designate. A Policy Grievance is defined and limited to one which alleges misinterpretation or violation of a provision of this Agreement, and which could not otherwise be resolved at a lower step of the Grievance Procedure because of the nature and scope of the subject matter of the grievance.

Such grievance will be referred to the grievance procedure commencing at Step III and shall be dealt with at the next agenda meeting or sooner, by mutual agreement between the parties.

When a Policy Grievance has been upheld, the Company will be required to make back pay as per Clause 7.16 where necessary.

**7.19** Group grievances will be processed in the normal manner and will be signed by the employees so affected commencing at Step I.

**7.20** It is hereby agreed that a Chief Steward or Committeeperson may file a grievance on behalf of the Union if there exists an alleged violation of the Collective Agreement but an individual or group grievance doesn't take place as per Clause 7.01 or 7.02. Such a grievance will be processed in the normal manner commencing at Step I. When such grievance has been upheld, the Company will be required to make back pay as per Clause 7.16 when necessary.

This Clause shall not apply to Work Standard Grievances except when a job is only being run by probationary employees, then this Clause may be implemented to abide by the time limits as per Clause 7.01.

**7.21** Any grievance resolved or withdrawn and that decision is subsequently appealed through the Appeals Procedure established by the C.A.W. constitution or any other Appeals Procedure, and such appeal is upheld, the grievance shall be considered timely and will be processed to the next step of the Grievance Procedure.

## **ARTICLE 8 - DISCIPLINARY ACTION**

**8.01** The following procedure will apply when a seniority employee is to be suspended or discharged.

**(A)** The Company will notify the employee and the Union of their intention within two (2) working days of the alleged violation becoming known to the Company and will provide the employee with a 'hearing request form' that may be completed in the event the employee wishes to attend a disciplinary hearing prior to the discipline being imposed. The Company and Union will document the specifics of the alleged violation at this step.

**(B)** Within 10-days of the completion of (A), the employee will be required to serve the appropriate disciplinary penalty as determined by the Company.

**(C)** The Union will be permitted the period of time between (A) and the date of disciplinary penalty to investigate the alleged violation and arrange a hearing with the Company based on the employees completed 'hearing request form' between the Manager - Industrial Relations and the Plant Chairperson or his/her designate, and one (1) Committeeperson unless otherwise mutually agreed. The employee, his/her Steward and the Supervisor may be present at such hearing if deemed necessary by either party.

**8.02** However, 8.01 shall not apply when the alleged violation may endanger the safety of himself/herself or other employees, or be of such a nature that it would be inadvisable to retain the employee in the plant.

In such case, the Company may immediately remove such employee from the premises.

A hearing will be arranged as in 8.01 (C) after the fact and such hearing will be held within one (1) working day of such action being taken and only if the Company's disciplinary action is beyond the shift in which he/she was sent home.

**8.03** If the employee suspended or discharged in 8.01 or 8.02 feels he/she has been unjustly dealt with he/she may file a grievance within two (2) working days of such action being taken, and the grievance shall commence at Step IV of the Grievance Procedure.

**8.04** It is mutually agreed that the Arbitrator shall have the right to modify penalties in suspension and discharge cases only.

**8.05** A probationary employee who maintains he/she has been unjustly dealt with shall have the right to have his/her case reviewed by the Manager - Industrial Relations.

It is understood that the said employee's Steward or Committeeperson may be present at such review.

**8.06** A copy of all warning notices will be given to the employee and the Union by the conclusion of two (2) regular shifts following the shift on which the alleged violation occurred. Such notice shall become a part of the employee's personnel record. A warning notice or suspension will remain in effect for a period of not more than twelve (12) months from the date of such warning or suspension. It is further agreed that once a warning or suspension has expired, that other related offenses will be reduced in status accordingly, and all outdated warning notices will be returned to the employee upon request.

**8.07** The Company shall ask an employee if he/she wants his/her Steward and/or Committeeperson in attendance when he/she is taken to an office for an interview concerning discipline, or prior to being sent home as per 8.02.

## **ARTICLE 9 - SENIORITY**

**9.01 (A)** An employee shall be regarded as a probationary employee until he/she has been in the employ of the Company for ninety (90) calendar days during any twelve (12) consecutive months. After completion of the above probationary period, the employee shall then be assigned a seniority date crediting him/her with ninety (90) days of service.

**(B)** When students are hired, they shall not accumulate seniority but shall be considered as probationary employees

Students will receive \$18.00 per hour while working in non-incentive classifications and 68% of base rate while working in incentive classifications as stipulated in Appendix "A" of this Agreement.

**(C)** Students shall only be eligible for overtime after all employees on the shift in the department have been requested to perform such overtime assignment as per Clause 11.10.

**9.02** The termination of a probationary employee shall be considered for just cause unless the termination is contrary to the provisions of the Ontario Human Rights Code, or if the termination is arbitrary, discriminatory, or in bad faith.

The Company agrees to provide a proper evaluation of probationary employees including advising them of what the Company's expectations are of all employees.

### **Seniority Date and Lists**

**9.03 (A)** When an employee is hired or rehired to start work between Sunday 11 p.m. and Monday 11 p.m., such employee will be credited with a Monday start date. In the event that Monday is a holiday, employees hired or rehired to start work between Monday 11 p.m. and Tuesday 11 p.m. will be credited with a Tuesday start date.

**(B)** When two or more employees attain seniority on the same date, they will be placed in alphabetical order on all seniority lists. The status of their seniority shall not decrease or advance because of a name change.

**9.04** A master seniority list of all employees in the Bargaining Unit will be furnished to the Local Union every thirty (30) days.

**9.05** The Company will keep the seniority list for each department up to date and will post an updated seniority list every month. This list will indicate each

employee's badge number, name, classification, department and Company seniority. Five (5) copies of such lists and five (5) copies of the Bargaining Unit seniority lists and one departmental list by classification will be given to the Plant Committee Chairperson weekly.

Two (2) copies of the master seniority list for Skilled Trades will be given to the Skilled Trades Committeeperson in December of each year.

The term "seniority" shall be defined as the status of the employee based upon his/her established unbroken length of service with the Company from the date of last hiring by the Company.

In all instances within this Collective Agreement where the term "job" is used in reference to job ownership, it will also mean cell.

Seniority shall be first by job, when applicable, then within the classification within the department, then within the classification within the Bargaining Unit, then within the Bargaining Unit. Newly hired employees shall be assigned the classification that they are hired into. They shall begin to accumulate seniority in the job classification once the posting procedure is completed.

No new employee shall be hired while employees with seniority and the present ability to do the work required are still on the laid off list.

**9.06** Upon request a seniority employee will be given preference of a shift, based on seniority, prior to vacancy being filled or a new employee hired, provided the employee has claim to the job or classification, in the case of no job ownership, as per other clauses of the Agreement. When it is required to re-arrange employees on shifts, the employees involved will have preference of shift based on seniority. This clause will also apply prior to employee transfers under 9.07(B), 9.08, 9.20 and 9.22. The Union will co-operate with the Company in order to maintain a balance of work force among the shifts.

Employees will be required to revert to their previously held shift following any shutdown period.

### **Temporary Work Assignments**

**9.07** Temporary work assignments shall be defined as the movement of employee(s) within the classification or from one classification to another classification and/or one department to another department, created by:

- (i) the need to utilize an employees skill and ability to perform work in the 014, 015, 100, 110, 111, 112, 125, 130, 132, 133, 140, 147, 149, 156 and the S.O.A. classifications.
- (ii) Samples, experimental work and sample die, jig and machine try out:
- (iii) Training.

For the purpose of temporary work assignments, all day shifts shall be considered as being the same shift. The same procedure shall also apply to the afternoon shifts.

**(A)** For periods of thirty (30) calendar days or less, the opportunity will first be given by seniority to employees within the affected classification in the department on the shift who are not presently working on their normal jobs.

If all employees are working on their normal jobs, the opportunity will then be given by seniority to employees within the affected classification in the department. The opportunity to accept temporary assignments in the 140 classification in Department 29 and 39 will be offered to the employees in the 140 classification from the department of the Company's choosing. When the vacancy is within a cell, the opportunity will be given by seniority to employees in the affected classification within the cell only. Employees accepting assignments as per this paragraph will be paid the rate of the job.

The Company will fill the resultant vacancy, if any, from the classification of their choosing on the shift within the department by seniority, provided the employee is able to satisfactorily perform the work to be done. The junior qualified employee will be required to accept the assignment. Employees who are no longer willing to accept temporary work assignments will have one opportunity annually to make their intentions known to the Company. This election may be made anytime during the last week of June. This completes the cycle of transfers under the temporary work assignment procedure, and the Company will take such steps as may be required to fill the remaining vacancy, if any.

When a vacancy is filled as per "Letter No. 11 A" due to absence of an employee, it will not be construed as a temporary work assignment, provided such assignment doesn't circumvent the employee's job ownership seniority rights.

For (ii) above, the opportunity will first be given by seniority to the employee who normally performs the job then by seniority within the affected classification in the department provided the employee is satisfactorily able to perform the work. **For (iii) above, the opportunity will first be given by seniority to the employee who normally performs the job, then by seniority within the cell provided the**

**employee is satisfactorily able to perform the work and then by seniority within the affected classification in the department provided the employee is satisfactorily able to perform the work.**

Employees accepting assignments as per this section will be paid the rate of the job.

Any abuse of clause 9.07 will result in payment of average earnings to the effective employee.

An incentive employee will receive his/her average hourly earnings or the rate of the job to which he/she is temporarily assigned, whichever is the greater for (ii) and (iii) above.

- (B)**      **(i)** For periods of over thirty (30) calendar days temporary work assignments will be restricted to Leaves of Absence, excluding vacations, Clause 10.05 and 10.07 and Business Leaves, and in addition extension to other temporary work assignments may be granted by mutual agreement between the Company and Union. The Company will post the necessary assignments on the posting board in the department section and will fill the vacancy from the department by seniority, provided the employee is able to satisfactorily perform the work to be done and is able to start the job posting within 5 days.

This completes the cycle of transfers under the temporary work assignment procedure and the Company will take such steps as may be required to fill the remaining vacancy, if any.

- (ii)** Where it is established that in all probability an employee will not be returning to work from a leave of absence, the job will be posted as a permanent position. The successful applicant will be subject to Article 9.15 (A) and (B). If however the employee does return, he/she will return to his/her former job, classification and department seniority permitting.

As per this Section, employees accepting assignments will be paid the rate of the job except for those assignments covered under Clause 14.08(B). An employee on a temporary work assignment over thirty (30) calendar days shall also be included for the purpose of distributing overtime. Employees on temporary work assignments under thirty (30) days will be eligible for overtime in their regular classification.

- (C)** All temporary assignments of less than thirty (30) calendar days will be applied as per (A) above except that an employee working in the department on the shift retaining recall rights as per Clause 9.22(A) will be given the first opportunity to accept the assignment but an employee refusing the transfer will still retain seniority



rights to the job. Employees in classifications 014, 015 and 240 assigned as per Letter #34 will experience a 1 day delay. Employees retaining recall rights as per Clause 9.22(A) must return to temporary assignments of more than thirty (30) calendar days. These assignments will be re-posted as temporary assignments if required when there is a need to increase in the classification.

Temporary assignments shall not be used to avoid job posting or circumvent seniority rights. The appropriate Steward will be informed of all temporary assignments of less than thirty (30) calendar days prior to the transfer being made. The appropriate Committee person will be informed of all temporary assignments of over thirty (30) calendar days prior to the transfer being made and also the accepted employee on the assignments shall be identified as such on the weekly 106 employee transfer report.

**(D)** The temporary transfer provisions above shall not apply to an employee temporarily assigned to a job replacing an employee on vacation and he/she will be paid the rate of such job.

**(E)** Employees transferred under 9.07 (B) will have the option to return to such jobs provided they have not been displaced for more than 20 working days. If he/she declines the option the job will be re-posted.

**(F)** For periods of over thirty (30) calendar days temporary work assignments in Department 60 will be filled as follows:

- (i)** The Company will post the necessary assignments on the posting board in the department section and will fill the vacancy from the department by seniority, provided the employee is able to satisfactorily perform the work to be done.
- (ii)** The resultant vacancy will be offered by seniority to the employees who are pre-qualified to perform the work to be done.

## **Job Postings**

**9.08** In the event the Company requires to fill a vacancy, the Company will post such vacancies as prescribed in this clause in each case for a period of forty-eight (48) hours excluding Fridays, Saturdays, Sundays, and holidays.

**(A)** The Company shall post the vacancy on the posting board in the Department section and all eligible employees within that classification within the department will be allowed to apply. The successful applicant shall be the employee with the greatest seniority.

**(B)** The Company shall post the resultant vacancy on the posting board in the Bargaining section and all eligible employees within that classification will be

allowed to apply. The successful applicant shall be the employee with the greatest seniority.

**(C)** The resultant vacancy in the department will then be posted on all posting boards in the department section. The successful applicant shall be the employee with the greatest seniority provided he/she is able to perform the work

**(D)** The resultant vacancy in the department will be posted on the posting board in the Bargaining Unit section. All eligible employees in the bargaining unit may apply. The successful applicant shall be the employee with the greatest seniority provided he/she is able to perform the work. This completes the cycle of transfers under the posting procedure, and the Company will take such steps as may be required to fill the remaining vacancy, if any.

**(E)** A job posting will be terminated at any step of the job posting procedure where there is no longer a need for more employees in the classification. The resulting vacancy, if any, will be filled by job posting to the regular employees in the classification within the department first, and then by offering any resultant vacancy by seniority to employees within the classification without job ownership.

**(F)** An employee who has become the accepted applicant on more than one job posting at the same time will have (1) working day to decide which job he/she wishes to accept.

**(G)** An employee who has accepted a posting shall have until 3 hours prior to the end of his/her next shift to decline such posting.

**9.09 (A)** The Company will use forms of four (4) different colours for posting notices under clause 9.08 (A), (B), (C) and (D).

**(B)** An application may be submitted for an employee who is absent from work for any reason provided it contains the signature of the Committeeperson or Chief Steward. If such employee is the successful applicant and is unable to return to work within five (5) working days following the date of notification by the Company, (except an employee on vacation), he/she shall not be eligible for such posting. This period of time may be extended by agreement between the Company and the Union.

**(C)** The Committee people, Local Union Time Study Representative, Local Union Benefits/W.S.I.B. - E.A.P. Representative and Plant Committee Chairperson will be eligible for job postings as per this Article and will be retained on day shift.

**(D)** An employee that is the successful applicant and has been offered the job with ten (10) working days of becoming eligible or forty (40) working days in the event of an introduction of a major new product line, but has not started the posting

because he/she is off work for any reason (except for reasons of vacation) for more than five (5) consecutive working days, shall be termed ineligible for such posting.

The Company will then ask the next qualified applicant and continue with the normal posting procedure to fill the job opening.

**(E)** An employee on a Modified Work Program may accept a posting provided he/she is able to start the job posting not later than 6 weeks from the date he/she became eligible for the posting.

**9.10** The Company will give the Union a copy of the job posting with the name, badge number and department of the applicants listed thereon and the successful applicant will be underlined.

The Company will notify the successful applicant with four (4) working days of being the successful applicant of the job posting, unless mutually agreed otherwise.

**9.11** Each posting notice will define the department, classification, the rate of pay and the job, if applicable.

**9.12** The employee accepted, pursuant to this article, given appropriate job training, shall demonstrate his/her ability to perform the job efficiently within five (5) working days within classification or ten (10) working days outside of classification. This period of time may be extended by agreement between the Company and the Union.

An employee's trial period may be waived when it is obvious to the Company and the Union that the employee is able to perform such job.

The employee will receive payment for the trial period as follows:

**(A)** Incentive jobs out of their classification will receive a minimum of 150% of the base rate for five (5) working days and the rate of the job for the remainder of the trial period except that those applying for MIG welding jobs will receive a minimum of 150% for ten (10) working days.

Employees applying within their own classification will be paid the rate of the job.

**(B)** Non-incentive jobs will receive ten cents (10) per hour below the classification rate. Upon acceptance on the job, the employee will be paid the regular rate of the job.

The trial period for employees posting into the following classifications will be up to twenty (20) working days. This period of time may be extended by agreement between the Company and the Union.

- (a) Auditors
- (b) Set-up people
- (c) Set-up, operate and adjust operators
- (d) MIG welders
- (e) Towmotor operators
- (f) Crane operators
- (g) Tool crib
- (h) Receiver

Employees posting under (a), (b), (c), (g) and (h) will be required to successfully complete qualifying tests to be considered for these positions.

**(C) (i)** The employee will have the right to decline a job at any time during his/her trial period and will revert back to his/her former job and rate of pay by the end of the week following the week of notification or by the end of the current week if the Company is notified by Tuesday. Such trial period shall count as a job posting in clause 9.13. The opportunity will then be given to the next bidder with the highest seniority.

**(ii)** Should the employee not qualify in accordance with Letter #10, he/she will revert to his/her former job and rate of pay. Such trial period shall not count as a job posting in clause 9.13. The opportunity will then be given to the next bidder with the highest seniority.

**9.13** An employee shall be eligible to a maximum of four (4) job postings within one (1) calendar year of which no more than two (2) will be outside of their classification. An employee's annual maximum eligibility will be reduced each time he/she becomes the eligible candidate for any posting applied for.

**9.14** The Company has the right to maintain a balance of experienced employees in a job group, so that the operation of the job group will not be unreasonable restricted, when moving or transferring accepted job applicants except that the Company must transfer an accepted applicant within ten (10) working days (or forty (40) working days in the event of a major new product line) of his/her being accepted on a job posting unless mutually agreed otherwise.

For the purpose of this clause and other clauses of this Agreement, the successful applicant shall begin collecting seniority in such position as of the day he/she becomes eligible.

**9.15 (A)** An employee transferred under Clause 9.08 shall have seniority rights immediately within the classification and department upon acceptance as per 9.12.

If there is a layoff in the job or classification within the department in excess of five (5) continuous working days within a sixty (60) calendar day period after the job posting and no open position within the classification and department exists, the posting will be nullified and all transferred employees must revert to their former position and such transfer shall count as a movement for the purpose of Clause 9.13.

**(B)** If within sixty (60) calendar days of the job posting being nullified and there is a need to increase again, the original job posting will be reactivated and the employee(s) will be given the option to return to such job(s).

### **Loss of Seniority**

**9.16** The seniority of and employee shall cease for any one of the following reasons:

**(A)** If he/she shall quit

**(B)** If he/she is discharged and such discharge is not reversed through the Grievance Procedure

**(C)** If he/she shall be laid off from the Company for a period in excess of three (3) consecutive years, or his/her length of seniority, whichever is the greater, up to a maximum of **seven (7)** consecutive years.

**(D)** If he/she fails to report to work when recalled from layoff within five (5) consecutive working days following notice to report by the Company by registered mail, to his/her last known address. However, if his/her failure to report for work is due to sickness, accident or other cause beyond his/her control, he/she shall not forfeit his/her seniority rights if he/she notifies the Industrial Relations Department of the Company within the said five (5) working days after receipt of such notice and if he/she reports to the Company for work immediately after the cause for his/her absence is removed. It is understood that an employee shall not lose his/her seniority if evidence satisfactory to the Manager - Industrial Relations for such failure to report is furnished upon his/her return to work. If the disposition made of any such case is not satisfactory, the matter may be referred to Step III of the Grievance Procedure.

**(E)** When an employee is absent from work for three (3) consecutive working days, excluding premium days, without a valid reason.

The Company will accept as a satisfactory reason under Clauses 9.16 (D) and (E) for absence up to one hundred and twenty (120) days, an employee's detention

under Highway Traffic Legislation, including detentions for minor offenses under the Criminal Code, which may be extended by the Company for extenuating circumstances.

**(F)** If he/she accepts other employment while on leave of absence, except with the express permission of the Company and Union.

**(G)** When he/she is retired except as provided under the Disability Retirement Section of the Company Pension Plan.

### **Layoff and Recall**

**9.17 (A)** Whenever there is a reduction in the work force, the Company will give notice of layoff to the employee and Steward affected by Wednesday of the work week or earlier if possible. In the case of layoff affecting more than one department, the layoff will be discussed with the Plant Committee. The Company will supply the Union with three (3) copies of a list of the employee affected by the layoff.

**(B)** In the event of emergencies involving more than one (1) day of layoff the Company will give twenty-four (24) hours notice of layoff to the Steward of the department and the employee affected by departmental layoff. In the case of layoffs affecting more than one department, the layoff will be discussed with the Plant Committee twenty-four (24) hours prior to such layoff.

**(C)** In the event of a layoff of one (1) day or less, the Company will notify the Steward and employees(s) involved within a reasonable period of time.

**9.18** In the event of a reduction of the work force due to the permanent elimination of a department, probationary employees shall be laid off first and seniority employees shall be transferred immediately as per 9.20.

**9.19 (A)** In the event of a temporary or permanent transfer of an operation from one classification to another and/or to another department, and in the event of a transfer of one department to another, the employee(s) who normally perform the operation(s) will have the opportunity to transfer with the operation, seniority permitting. This will also apply to replacement work for an existing product line.

Employees accepting temporary transfers will revert to their former positions at the conclusion of the assignment.

**(B)** All transfers will be discussed with the Bargaining Committee prior to implementation.

**9.20** In all cases of layoff and recall, incentive/day rate classes and non-incentive classes shall be defined as the opposite work group.

Whenever a reduction in the work force is due to any other cause than is stated in clause 9.18 and 9.19 of this Article, the following will apply:

Employees will be transferred to the open position prior to displacing a junior employee at all steps of the layoff procedure.

(A) Probationary employees will be laid off first.

**(B) Layoff Due to a Customer Planned Scheduled Downtime: Employees performing work in the department to be affected by the layoff will displace the junior employee in the Bargaining Unit, seniority permitting. Employees will be permitted to exercise their seniority as per Article 9.20 (C) after a two week layoff period for each Layoff Due to a Customer Planned Scheduled Downtime.**

**(C) Regular Layoff:** Employees performing the work in the department to be affected by the layoff will displace the junior employee in the classification, seniority permitting. The junior employee laid off from their classification from the department shall immediately be transferred to the work performed by the junior employee in the classification within the bargaining unit, seniority permitting.

(i) Prior to being laid off from their classification within the department, employees will be required to displace the junior position within the department presently assigned as per 9.07 B to an employee who retains no rights to that classification. The junior employee displaced from the classification within the bargaining unit will displace the junior position in the bargaining unit presently assigned as per 9.07 B to an employee who retains no rights to that classification

(ii) Employees who exercise their seniority on a position presently assigned as per 9.07 B or on any open position may be displaced should the 9.07 B posting be nullified or should the open position be posted as per 9.08 E of the Collective Agreement.

(iii) The junior employee(s) laid off from the classification in the Bargaining Unit will be transferred to the work being performed by the junior employee(s) in the Bargaining Unit, seniority permitting by the first work day of the second week following the week of the classification layoff.

(iv) An employee transferred to the work performed by the junior employee in the Bargaining Unit will have the option to displace the junior employee in the opposite work group within the Bargaining Unit within six (6) working days of attaining thirty (30) calendar days seniority in the

department, seniority permitting, provided he/she is able to perform the work to be done.

**(D)** Employees shall have the option at all steps of the layoff procedure including the Letter of Intent Re: Able to perform to accept layoff, with the exception of (A), and within the classification.

An employee accepting layoff will only be eligible for recall based on the restrictions he/she accepted at the time of layoff except as follows:

**(i)** After thirty (30) calendar days, upon advising the Company in writing, he/she will be given the opportunity of accepting recall when there is a need to increase the work force, seniority permitting.

**(ii)** After sixty (60) calendar days, upon advising the Company in writing, an employee shall be returned to work replacing the junior employee in the Bargaining Unit, seniority permitting, within five (5) days from the Monday following his/her intent to return. An employee returning during the week will not qualify for short work week benefits under this section.

An employee must accept recall when there are no longer employees with seniority laid off and there is a need to increase the work force, except as per Letter of Intent: Able to Perform.

**(E)** When more than one employee is involved in any step of the same layoff or recall procedure, employees will be given the choice of jobs involved by seniority.

**(F)** The Company shall explain the various options available as per this clause at the time the employee is notified of layoff. An employee absent will be considered to have been notified. An employee so notified shall be required to inform the Company of their intent prior to the conclusion of the shift he/she was notified provided such employee was notified within three (3) hours of the conclusion of their shift. An employee who does not notify the Company of their intent after being given proper notification shall automatically be placed by the Company and the only option that will remain shall be the option to accept layoff.

**9.21 (A)** When there is a layoff of less than five (5) full working days, **employees performing the work to be affected by the layoff** will have the option to be laid off according to the inverse order of the classification seniority, in the department, on the shift, providing the remaining employees are able to satisfactorily perform the work to be done.



This clause will also apply to all employees who were transferred to the department on Temporary Work Assignments over thirty (30) calendar days.

For the purposes of this clause layoffs of less than five (5) full working days employees in classification 110 will be restricted to the area the employee(s) normally works in and the same opportunity to accept layoff as per above will also apply.

In the event of a reduction in the workforce in a classification which an employee has entered on a temporary work assignment under thirty (30) days, such employee will return to his/her former position. If there is a layoff in their former classification, they will remain on the temporary work assignment until it is completed.

Employees during a trial period will not be considered to have seniority in that classification for the purpose of this clause.

**(B)** For the purpose of layoffs during the Company's designated inventory, an employee(s) will have the option to exercise his/her seniority over the junior employee(s) in the department on the shift who is performing inventory (excluding the classification 140 and 147) in accordance with the following procedure:

- (i)** If all employees in a classification are required to work within the classification, employees will be required to perform their regular work.
- (ii)** If some employees are required to work in a classification, the senior employees in the classification will have the following options, seniority permitting:
  - 1) work in their classification
  - 2) work on inventory
  - 3) accept lay off

The option to 2) and 3) above will not apply in the event that the junior employee scheduled to work in the classification cannot satisfactorily perform the work required without training

**9.22 (A)** Any seniority employee laid off or displaced must return to any vacancy which occurs within one (1) year in his/her former job, or his/her former department and classification seniority permitting, except that an employee who successfully posted to another position as per Article 9.08 shall have the option of remaining on such position or returning to his/her former position. Any employee who refuses recall rights shall forfeit such recall rights.

In the event that the employee has insufficient seniority to return to the vacancy in his/her former classification, the vacancy will be declared a vacancy and posted as per clause 9.08. Any employee accepting a job posting as a result of an employee having insufficient seniority must put in thirty (30) calendar days employment in such job prior to having seniority rights in such job and the job posting shall be nullified and all transferred employees must revert to their former positions if during such thirty (30) day period the regular employee has sufficient seniority to return to his/her former classification within his/her former department. Such transfer shall not count as a movement for the purpose of 9.13.

**(B)** Any employee transferred through layoff shall have full seniority rights in such classification or department.

**9.23** When there is an increase in the work force, employees will be recalled in the reverse order of clause 9.20 within the time limits as outlined in 9.22 provided they are able to perform the work to be done and not on layoff as per 9.20 (F).

When all laid off employees have been recalled to the Bargaining Unit, the junior employee still on layoff as per 9.20 (F) must accept recall to the open position in the Bargaining Unit.

**9.24 (A)** It is agreed that at no time shall any employee be able to exercise seniority over any seniority employee in the following classifications unless the employee affected by the layoff is able to satisfactorily perform the work to be done except as provided below:

**(i)** Set-up

**(ii)** Set-up, Operate and Adjust the following:

- Tube Mills
- Slitter
- Automatic Feed Blanking Presses
- Wire Straightener

**(iii)** Tool Crib Attendant

When one of the above jobs represents an employees proper placement but he/she is unable to satisfactorily perform the work, the employee will exercise his/her seniority over the next junior employee. In the event that an employee working on one of the above jobs has insufficient seniority to work in the Bargaining Unit, his/her layoff may be deferred for a period of up to sixty (60) calendar days while the Company is training a new employee on such job. The Company may, by mutual agreement, extend the sixty (60) calendar day period as needed in order to secure a successful replacement. The job will be recognized as a vacancy within ten (10) working days after the time the employees layoff was deferred and it will be posted

within the Classification within the Bargaining Unit with all eligible employees in the classification within the Bargaining Unit able to apply. The resultant vacancy will be filled as per the normal recall procedure. The successful applicant on the job must put in thirty (30) calendar days employment prior to claiming seniority in such classification.

**(B)** It is further agreed that the Company will have the right to maintain MIG welders out of line of seniority for a period not to last more than ten (10) working days. If the layoff is expected to last more than ten (10) working days, the training outlined below will be implemented immediately. Such ten (10) working day period will be extended if required to ensure that production requirements are met. During such extended period the Company must provide training to as many seniority employees as possible up to an equal number of employees out of line of seniority who shall replace such welders as soon as they are able to meet the production requirements. Such number shall be mutually agreed to between the Company and the Union. Prior to any such extension the Company shall review the production requirements and the need for such extension with the Plant Committee.

**(C)** Former Company qualified MIG welders not presently working in the MIG Classification, with more seniority than employees presently working in the MIG Classification, shall be maintained out of line of seniority provided the employee makes it known to the Company prior to being laid off.

**(D)** When an employee without MIG experience is required to exercise his/her seniority over a MIG welder, such employee will have the option of displacing the MIG position or exercising his/her seniority over the junior position which is not a MIG operation, excluding the jobs in (A) above.

The displacements in (D) above will follow the guidelines outlined in Article 9.20.

### **Seasonal Layoff for Model Change**

**9.25** At the discretion of the Company, layoff by departmental seniority may be used for a period of thirty (30) calendar days from the time when the first model change layoffs occur except where otherwise provided in this clause. This thirty (30) calendar day period will include the posted divisional vacation period. The timing of the model change will be posted on the bulletin boards each year.

Recall to work during this thirty (30) calendar day period shall be by departmental seniority, provided the employee is able to perform the available work to be done. If all employees are recalled to their department and additional employees are still required in that department the additional employees shall be recalled in

accordance with their Bargaining Unit seniority provided they are able to perform the available work to be done.

Employees shall have the option to exercise their Bargaining Unit seniority over probationary employees provided they are able to perform the work to be done. The recalling of employees shall be handled in the same manner.

When the time allocated for model change has expired, adjustments and recall, increases and layoffs in the working force will take place according to Bargaining Unit seniority.

Clause 9.18 of this Article will apply during the seasonal layoff for model change.

### **Preferential Seniority**

**9.26** The Plant Chairperson, the Committee people in 6.02, the Local Union Time Study Representative, the Local Union Benefits/ W.S.I.B. - E.A.P. and the Local Union Safety Representatives shall have preferred bargaining unit seniority. The Committee people shall have preferred seniority in their respective area of representation during their terms of office.

**9.27** The President, Vice-President, Financial Secretary and Recording Secretary shall have preferred bargaining unit seniority during their terms of office. The President of the Local Union shall be retained on the day shift and all other members of the Executive Board shall be retained on the day shift, where necessary.

The President, Committee people, Safety Representatives, Local Time Study Representative, the Local Union Benefits/ W.S.I.B. - E.A.P. , will have seniority rights in the classification only when they are on the shift other than their normal shift.

The same procedure as above will also apply to any other Executive Board member who is retained on the day shift.

**9.28** In the event that the preferential seniority of Union officers listed above is to be affected, all Union officials applying their preferential seniority must be able to perform the available work.

**9.29** The Steward in each area of representation shall have preferential seniority for as long as he/she is able to represent as per Appendix "C".

He/she shall not be laid off while he/she is still functioning as Steward, providing he/she is able to perform the available work. The Safety Representatives, Time

Study Representative, Recording Secretary, Financial Secretary, Vice-Presidents, President, Local Union Benefits/ W.S.I.B. - E.A.P. , Divisional Committee people in clause 6.02 and the Plant Committee Chairperson will be laid off in that order.

**9.30 (A)** An employee who has incurred a permanent partial disability, and who is no longer able to perform his/her regular work but is able to perform other duties, may by agreement between the Company and the Union, be assigned to a new or open job provided the employee has enough seniority to work in the bargaining unit.

An employee who is unable to regularly perform their normal job as a result of an illness/injury sustained through the course of employment may be temporarily or permanently re-assigned to a new or open job by agreement between the Company and the Union.

In the event of a reduction in the work force, an employee assigned under this clause shall be retained on such job provided he/she has sufficient seniority to remain in the classification. When the employee does not have enough seniority to remain in the classification he/she shall displace the junior employee in the department or the bargaining unit, provided they are able to perform.

If satisfactory medical evidence is provided to the Company, he/she will be eligible for future job postings, provided he/she is able to perform the work.

To apply for department postings, such employee is eligible in his/her new department only.

If the employee is accepted on a posting he/she will no longer be classified under clause 9.30.

An employee under 9.30 status will be required to update their medical evidence, at least once a year.

The medical evidence will then be reviewed by the Company and the Bargaining Committee. Employees removed from Article 9.30 status will remain on such job, seniority permitting, or exercise his/her classification, departmental or bargaining unit seniority.

**(B)** Should the parties fail to reach an agreement as to the employee's capabilities, then arrangements will be made with an independent medical specialist who will assist the parties in making a determination under this Clause.

## **Return Rights to the Bargaining Unit**

**9.31** Any employee transferred or promoted out of the bargaining unit and returned back to the bargaining unit shall only accumulate the seniority acquired while in the bargaining unit. Such transfers are at the Company's discretion. The employee returning to the bargaining unit will be permitted to replace the junior employee in the bargaining unit, seniority permitting.

Supervisors without seniority in the bargaining unit will not be allowed to transfer into the bargaining unit.

Office unit employees, with seniority, will be allowed to transfer into the bargaining unit and shall only be credited with the seniority they accumulated as an office union employee up to a maximum of ten (10) years seniority.

## **ARTICLE 10 - LEAVE OF ABSENCE**

**10.01** A personal leave of absence of three (3) days or less must be approved by the employee's immediate Supervisor. Leave of absence periods of more than three (3) days must be approved in advance in writing by the Manager -Industrial Relations or his/her designate on the forms provided.

A leave of absence involving the working day before or the working day following a statutory holiday must also be approved in advance in writing by the Manager - Industrial Relations or his/her designate.

**10.02** A leave of absence of up to thirty (30) calendar days may be granted by the Company to employees with seniority for personal reasons other than to seek or obtain employment elsewhere. Extensions may be granted by agreement between the Company and the Union. A leave of absence of up to three (3) weeks immediately prior to or immediately following his/her vacation period will be granted to an employee with at least three (3) years seniority provided that the employee gives a minimum of thirty (30) days notice. Such leave may not be granted more than once in any three (3) year period. Exceptions to this rule may be permitted through the leave of absence procedure. The operation of this Clause will be in conjunction with the second and third paragraph of Clause 12.08.

**10.03 (A)** An employee with seniority who is unable to work because of illness or injury and who provides the Company with satisfactory medical evidence shall be granted a medical leave while disabled equal to his/her seniority at the date of disability or five (5) consecutive years whichever is greater, provided however, that such leave shall cease when the employee attains age 65. The employee and the Union will be given a minimum of 6 months notice of the expiration of this leave.

During any period of disability, it is the employee's responsibility to provide the Company with satisfactory medical evidence on a regular basis to support continuation of the medical leave

**(B)** He/she will be returned to work in accordance with his/her seniority, provided he/she furnishes satisfactory medical evidence of recovery. The Company will have up to five (5) working days to place the employee, and the employee will continue to qualify for disability benefits until he/she is returned to work.

**10.04** Pregnancy leave of absence will be available to any seniority employee and will be in accordance with the Employment Standards Act. Paternal leave of absence will be available to any seniority employee in accordance with the Employment Standards Act and/or the Employment Insurance Act.

Seniority will accumulate during the period of pregnancy / paternity leave.

Before returning to work following the pregnancy leave, the employee must provide the Company with a physician's certificate stating that she is fit to return to her normal duties, at least five (5) working days prior to the date of return.

**10.05** Any employee with seniority elected or appointed to Union office or selected for other Union activities by the National Union, the Ontario Federation of Labour, Canadian Labour Congress and/or Local Union, shall be granted a leave of absence for a period of one (1) year with extension privileges, provided however, that such employee shall renew his/her leave of absence annually.

Any employee with seniority elected or appointed to any public office of the Municipal, Provincial, or Federal Government, shall be granted a leave of absence for a period of one (1) year with extension privileges, provided however, that such employee shall renew his/her leave of absence annually.

**10.06** Employees returning from Union office or Public office leaves shall notify the Company of their availability and desire to return to work and the Company shall have five (5) working days to return the employee following such notice, to his/her former classification, seniority permitting, and then within the Bargaining Unit.

**10.07** An employee with one (1) or more years seniority wishing to further his/her education by full time attendance at a recognized college, university, trade or technical school, shall be granted a leave of absence for up to one (1) year under the following conditions:

**(A)** Before receiving the leave, or an extension, the employee shall provide the Company with satisfactory evidence he/she has been accepted as a student by the recognized college, university or school.

**(B)** On expiry of each term or semester the employee shall provide the Company with proof of attendance.

**(C)** Leave may be extended for additional periods not to exceed one (1) year each.

**(D)** Provided the student's course of instruction is related to his/her employment opportunities with the Company, seniority shall accumulate during the leave. Attendance at primary or high school shall be regarded as meeting this provision.

**(i)** While attending a course of instruction not meeting the requirements of (D) above, seniority will not accumulate and all Company paid benefits will cease. However, the employee may elect to pay for benefits as provided under the Insurance Plans.

**(ii)** Employees returning from such leaves shall notify the Company of their availability and desire to return to work, and the Company shall have five (5) working days to return the employee to work following such notice, with seniority rights only in the Bargaining Unit.

### **Education Leave**

**10.08 (A)** The Company agrees to pay into a special fund four cents (\$.04) per hour per employee for all compensated hours, for the purpose of providing paid education leave.

Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, C.A.W. and sent by the Company to the C.A.W. Leadership Training Fund, 205 Placer Court, North York, Ontario, M2H 3H9.

The Company further agrees that members of the Bargaining Unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave.

The Company further agrees to supply the Union with the following information when each contribution is sent to the Paid Education Leave Program, the Local



Union number, the Bargaining Unit covered, the number of employees, the number of hours used in the payment calculation and the period of time covered.

**(B)** The Company agrees to contribute one cent (\$.01) per hour worked to the Social Justice Fund. The Company agrees to forward the contributions quarterly to:

The Bank of Montreal  
Transit No. 2465  
Account No. 1018-788

The Company will forward the number of employees, the number of hours used in the payment calculation and the period of time covered to the Plant Chairperson and to the following address at the same time the contributions are made:

CAW- SOCIAL JUSTICE FUND  
205 Placer Court  
North York, Ont. M2H 3H9

## **General**

**10.09** Seniority shall accumulate during the period of an approved leave of absence for seniority employees except under 10.07 (D) (i).

**10.10** An approved copy of any written leave of absence granted under the Leave of Absence section will be furnished to the employee and the Plant Committee Chairperson.

**10.11** After a leave of absence, except where otherwise provided in this Collective Agreement, an employee will be placed in his/her former job if it still exists or his/her former classification, seniority permitting.

## **ARTICLE 11 - HOURS OF WORK**

**11.01** This Article is intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

**11.02** The regular shifts are defined and designated as follows:

<b>(A)</b>		Consecutive Hours		
<u>Description</u>	<u>Regular Work Week</u>	<u>Excluding Lunch</u>	<u>Starting Time</u>	<u>Lunch Period</u>
Rotating:				
Day Shift	Monday through Friday	8 Hrs.	7:00 a.m.	1/2 hr unpaid
Afternoon Shift	Monday through Thursday	10 Hrs.	<b>3:30</b> p.m.	1/2 hr unpaid

**(B)** The Company will have the right to change any afternoon shift on a two shift basis to five (5) eight (8) hour shifts, Monday to Friday, provided the change is necessitated by just-in-time shipping and/or production requirements.

Prior to making such change the Company must meet with the Plant Committee and they must adopt any alternatives proposed provided the Company is able to meet their just-in-time shipping and/or production requirements and providing it does not increase costs. Overtime will not be considered as an alternative.

**11.03 (A)** Shifts for 24 hour operations.

		Consecutive Hours		
<u>Description</u>	<u>Regular Work Week</u>	<u>Including Lunch</u>	<u>Starting Time</u>	<u>Lunch Period</u>
Rotating:				
Day Shift	Five Consecutive Days	8 Hrs.	7:00 a.m.	20 min paid
Afternoon Shift	Five Consecutive Days	8 Hrs.	3:00 p.m.	20 min paid
Night Shift	Five Consecutive Days	8 Hrs.	11:00 p.m.	20 min paid

**(B)** Lunch periods will be paid as follows:

- (i)** A non-incentive employee will receive his/her own rate.
- (ii)** A day rate employee will receive his/her day rate.
- (iii)** An incentive employee will receive his/her average earnings.

**11.04** It is recognized that the Company has existing regular shifts with starting and/or quitting times that vary from the above to facilitate production. Such shifts may be maintained during the term of this Agreement.

**11.05 (A)** Any changes of starting and quitting time of a regular shift shall be discussed with the Union prior to implementation.

**(B)** Prior to any shift change implementation except for (A) above the Company will notify the Steward and employee(s) involved by Wednesday of each week or earlier if known by the Company. Employees who are not notified of their shift change during the regularly scheduled work week will not be obligated to accept such change.

**11.06 (A)** When employees are engaged on either two (2) shift or three (3) shift jobs or classifications that normally rotate, all employees engaged shall equally share the regular shift rotation unless mutually agreed as defined below.

**(B)** When two (2) employees within a department from the same classification who share the same job and are engaged in a two (2) shift operation (or three (3) employees in the case of a three (3) shift operation) agree to work in another manner consistent with the hours of work and regular shifts, the Company will so arrange it provided the arrangement was mutually agreed upon by seniority on the opposite shift. If such agreements are subsequently canceled the employee(s) involved will revert back to their normal shift by reverse seniority.

Off-shift employees may not displace an employee working on their regular shift from their workstation or jig, however all of the other provisions of the Collective Agreement will be administered by seniority as defined in clause 9.05, regardless of shift placement. This clause shall not apply to employees working in the classification, who do not have classification rights.

**(C)** If an employee is required to change shift, either for his/her own convenience or because of necessity, such change will be mutually agreed upon by the Company and the Union.

## **Overtime**

**11.07** For the purpose of computing overtime compensation, an employee's work day shall be the twenty-four (24) hour period beginning at the regularly scheduled starting time of the shift to which he/she is assigned. The Company will review with the Plant Committee the advancement or retardation of the regularly scheduled starting time of a shift for one or more employees for a temporary period, in which case the altered starting time shall be considered to be regular starting time for purposes of computing overtime compensation.

**11.08 (A)** Time and one-half will be paid for all time worked beyond an employee's normal quitting time in any day in the regular work week. Double time will be paid for all time worked in excess of twelve (12) consecutive hours in any twenty-four (24) hour period.

**(B)** Time and one-half shall be paid for all time worked on Saturday as such in the work week and double time after eight (8) hours.

**(C)** Double time shall be paid for all time worked on Sunday as such in the work week, regardless of the number of hours worked during the regular work week.

**(D)** Overtime premium will not be paid to any employee who is absent from work for any reason (excluding medical leaves covered under Weekly Indemnity, W.S.I.B., or contractual time off) for **3** shifts including overtime shifts within a rolling 12 month period unless that employee has worked their 40 regular hours in the work week.

**11.09 (A)** In the event a regular shift ends on Saturday or starts on a Sunday the employees will not qualify for such Saturday or Sunday overtime on such shift.

**(B)** An employee working on the 2B and 2BA shift will be paid time and one half (1 1/2) and double (2) time after eight (8) hours for work performed on Friday and double time (2) time rate for all work performed on Saturday, provided the employee has performed overtime on Friday.

**(C)** An employee working on the C shift will be paid double (2) time for work performed after 7:00am Saturday provided the employee has worked the 11:00pm to 7:00am Friday overtime shift.

**11.10 (A)** When reasonably possible the employee shall be given twenty-four (24) hours notice or thirty-six (36) hours in the case of weekend overtime. Such notice shall also be given to the Steward representing the employee concerned, and whenever he/she is available he/she shall be notified before the employees. **Employees will be responsible for indicating their interest and availability to work overtime on the 'self-signup' form provided by the Company and these completed forms must be submitted by the end of the second shift in the work week.**

**(B)** As far as reasonably practicable, overtime will be distributed to **employees who regularly work on the job with the least amount of hours within the classification in the department on the shift the overtime occurs.** If the Company is unable to obtain sufficient employees among those employees who regularly work on the job, **the opportunity will be given to the employees with the least amount of overtime hours within the classification on the same shift in the department, who are capable of performing the work to be done without training.** If the Company is unable to obtain sufficient employees among those employees within the classification

on the shift, the opportunity will be given to the employees on the same shift in the department, who are capable of performing the work to be done without training.

If the Company is still unable to obtain sufficient employees among those employees on the same shift in the department, the opportunity will then be given to employees on the previous shift in the department who have not been offered overtime on their shift, **first to those who regularly work on the job and then within the classification** who are capable of performing the work to be done without training and then within the department **or the department of the Company's choosing on the same shift, and the opportunity will be** given to the employees with the least amount of overtime, first within the classification and then within the department, who are capable of performing the work to be done without training. Only employees who have agreed to work their own overtime shift will be permitted to accept additional overtime.

It is agreed that in all instances above when two or more employees have an equal amount of overtime that the most senior employee will have the first opportunity to work the overtime.

**(C)** An employee who refuses to work overtime provided he/she has been notified as per "A" above **or who has not indicated their interest and availability to work on the 'self-signup' form** shall be charged with the overtime hours so scheduled and the opportunity to work overtime shall be passed on to the next employee. An employee who rejects overtime on a job outside his/her classification or shift shall not be charged with such hours.

**(D)** An employee who is absent from work for any reason when overtime is being distributed **or who has not indicated their interest and availability to work on the 'self-signup' form** and who would have been requested to work, shall be charged with the overtime hours so scheduled. Employees telephoned at home for overtime who are unavailable or decline the opportunity will not be charged with the overtime hours so scheduled.

An employee who has accepted an overtime assignment and fails to report for work, shall be charged an additional number of hours equal to the number of hours originally scheduled.

**(E)** Any violation of this Clause and Clause 11.18 by the Company will result in payment to the affected employees for overtime hours lost at the applicable overtime premium provided the employee and/or Steward raised the objection prior to the overtime being worked.

**(F)** For the purpose of distributing weekend overtime all day shifts shall be considered as being the same shift. The same procedure shall also apply to the

afternoon shifts. All day shifts shall be considered as being the same shift for early starts during the regular work week.

**(G)** For the purpose of determining the least amount of overtime as defined in (B) above, the Company will use the computer report "TA0301P Overtime Pre-authorization" issued each Tuesday which will include all overtime up to and including Monday. This report will be used from Wednesday to the following Tuesday.

**(H)** Employees on a modified work plan shall not be eligible for overtime unless authorized to do so by their Doctor or until they have returned to full regular duties for at least one full shift prior to the overtime being worked. They shall be charged with all hours they would have otherwise have been eligible to work.

**11.11** The Company will maintain up-to-date records of the overtime worked in each department and these records shall be posted by Wednesday and these records shall be consistent throughout the Bargaining Unit. The Steward in each area of representation shall receive a weekly copy of the overtime records in his/her area and he/she shall receive weekly notification of all employees charged but not having worked overtime. Overtime hours will be returned to zero (0), January 1 and the first Tuesday of July in each year.

Any employee entering the classification shall take the highest hours of overtime in the classification in the department on the shift for the purpose of equitable distribution. Employees who perform overtime work in other than their regular classification (specifically in the 111, 140, 125, 156 and the 101 class) will be identified for the purpose of establishing the appropriate overtime hours for other employees entering into their regular classification. The Steward and/or Committeeperson and the Supervisor and/or General Supervisor will review the overtime hours, as necessary, to establish what the actual overtime hours worked in each class is and apply this number of hours to employees entering into the classification.

If there are no employees on the shift, the employee entering a classification will take the high hours in the classification in the department and if there is no one else in that classification they will assume high hours in the department on that shift. This clause will also apply as per article 9.12.

The regular work week for the purpose of distributing overtime shall run from Monday to Sunday except for weeks immediately following a shutdown period where the regular work week for the purpose of distributing overtime shall run from Sunday to Saturday.

**11.12** An employee shall not be asked to work overtime for a period of less than one half hour (1/2), except where short periods of overtime are part of an employee's normally recurring duties. If the overtime assignment is completed in less than one half

hour (1/2) and the employee wishes to go home, he/she may obtain a pass from his/her Supervisor accordingly and shall be paid for time actually worked.

An employee who accepts and performs overtime work at the conclusion of his/her regular shift shall be guaranteed work or payment as per Clause 11.19 in lieu of work for the number of hours actually scheduled.

**11.13** Overtime shall be voluntary, except where it is necessary to schedule production of a department(s) to meet an emergency situation due to short-term increase of customer schedules.

In such situations the Company agrees to meet with the Plant Committee to discuss such overtime assignment and the necessity to have the overtime worked. The Company will give as much advance notice as possible.

Where an employee required to work is unable to be present for personal reasons he/she will be excused, provided that the cumulative excuses in any one department do not restrict the scheduled production in that department. The Plant Manager and the Divisional Committee people will determine the restrictive effect of such absences.

If the Company is unable to obtain sufficient employees to perform the required work the Union will agree to co-operate with the Company to obtain the necessary work force.

**11.14** An employee may decline the opportunity to work overtime, but once having accepted and signed for the overtime, he/she shall be expected to work as scheduled, and if he/she fails to report, unless he/she can provide a good reason for his/her absence, he/she shall be considered an absentee and shall be subject to plant rules.

**11.15** An employee accepting an overtime assignment shall be paid at the rate of the job which is to be performed in overtime, regardless of his/her normal rate of pay during regular hours.

**11.16** A Steward shall be given the opportunity to work whenever the number of employees working overtime in his/her area of representation, and on the shift he/she normally represents, equals or exceeds five (5) employees, regardless of the department or shift from which such employees are selected to perform the overtime assignment, and provided he/she is able to perform the work available. If the Steward is ineligible to work on his/her own job or classification, the work available shall be the open position or the job being performed by the employee with the highest number of hours scheduled to work. He/she shall be paid the rate of the job to which he/she is assigned. If he/she cannot perform the available work or declines the opportunity, the Union may appoint one of the employees scheduled to work as acting representative for the period of absence of the regular Steward and shall advise the Company accordingly.

**11.17** Where practical and seniority employees are on layoff and the Company has the equipment available to perform the work on any shift, the Company will be required to recall such laid off employees prior to any overtime being scheduled in such department.

**11.18** When overtime is scheduled on manufacturing processes that would normally require process and/or product auditing and the majority of such processes are scheduled to work, an Auditor will also be scheduled to work. An Auditor shall also be scheduled to work if the total workload exceeds 50% but is less than 100% of the workload normally performed by one Auditor. A similar formula as above will be adopted when more than two Auditors are required. Individual circumstances may create a situation whereby it would be desirable to utilize an Auditor when less than 50% of the workload is present. Situations of this nature will be resolved through mutual agreement between the Company and the Union. In areas where Auditors are assigned to work other than auditing manufacturing products and/or processes, a mutually acceptable system will be established to ensure equitable distribution of overtime.

In the event that the scheduled overtime assignment is such that a fork lift operator would be normally and historically assigned to cover the equipment scheduled to work, then a fork lift operator will be included in the assignment. The parties agree that scheduling fork lift operators to work overtime is contingent upon the amount of work that would be required of a forklift driver during the overtime shift. This does not preclude the Company from assigning additional tasks to the fork lift driver in order to minimize duplication and fully utilize any inherent idle time.

It is further agreed that the Company and the Union will establish mutually acceptable systems within a department to ensure that overtime is equitably distributed among other non-incentive groups.

### **Reporting in Allowance**

**11.19** An employee called to work or permitted to come to work but for whom no work or less than four (4) hours work at his/her regular job is available will be offered at least four (4) hours employment, for which he/she will be paid his/her earning on that job, such earnings being not less than his/her base rate for non-incentive and 120% of his/her base rate for incentive employees; or at the Company's option, send the employee home who will be paid four (4) hours at his/her base rate for non-incentive and 165% of base rate for an incentive employee (plus the current Cost-of-Living Allowance). However, if the employee refuses such offered work for which he/she is qualified, then no payment shall be made.



An employee when first reporting for work following illness or inexcused absence, shall not be eligible under this Clause unless following the period of illness or inexcused absence, the Company instructed the employee to report for work on a particular day.

An employee who is eligible under this Clause who fails to report for work on time shall be eligible only for four (4) hours' pay or four (4) hours' work, as the case may be, less the time he/she was late.

When an employee reports for work on overtime, he/she shall be paid as above plus the applicable overtime premium.

There shall be no liability under this Clause when such lack of work is due to a labour dispute, fire, flood or other causes beyond the control of the Company.

### **Call In Allowance**

**11.20** All hourly rated employees who are called to report to work less than twelve (12) hours prior to the start of a scheduled shift will qualify for payment as defined in this Clause.

When an hourly rated employee has left the premises, either after completion of his/her normal shift or after having discharged the special duties which he/she has agreed to perform for the Company and is called upon to return to the plant for emergency duties, prior to the time regularly scheduled for him/her to resume his/her duties, he/she shall receive pay as follows:

**(A)** For the first hour, or any part thereof so worked, he/she shall receive four (4) hours pay at his/her regular hourly rate for non-incentive employees. Incentive employees will receive four (4) times their earnings including the Add-On in Appendix "A".

**(B)** For all time worked in excess of one (1) hour he/she shall receive pay at his/her regular hourly rate, subject to overtime, holiday, or Saturday or Sunday premiums where applicable.

In instances covered by this Clause, the provision of Clause 11.19 shall not apply.

### **Rest Periods and Wash-up**

**11.21 (A)** A ten minute paid rest period for all employees shall be scheduled each half shift (three (3) on the 2B and 2BA shifts (4 x 10) hours).

**(B)** There will be a ten minute paid rest period immediately prior to the commencement of overtime at the end of a regular scheduled shift and also prior to the

start of a regular scheduled shift, provided the overtime will be at least two (2) hours, a ten minute paid rest period at the end of two (2) hours, providing the overtime extends beyond such two (2) hours; and a twenty minute paid lunch period four (4) hours after the commencement of such overtime, provided the overtime is in excess of four (4) hours.

**11.22** A five minute paid wash-up period for all employees will be scheduled immediately before the lunch period.

**11.23** Rest breaks and wash-up period, as described above, will be paid for in the following manner:

- (A)** Non-incentive employees will be paid their classification rate
- (B)** In the case of incentive employees, an appropriate allowance will be built into the standard hours for the respective jobs to enable the worker to earn his/her incentive rate of such allowance granted.
- (C)** In the case of day rate employees, an appropriate allowance will be built into the standard hours for the respective jobs to enable the worker to accomplish his/her day rate of such allowance granted.
- (D)** These rest period and wash-up periods are conditional upon strict adherence to the time limits.

**Paid Holidays**

**11.24** The term holiday, when used herein, shall mean the following:

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
New Years Day	<b>Jan 01</b>	<b>Jan 01</b>	<b>Jan 01</b>	<b>Jan 01</b>
Good Friday	<b>Apr 06</b>	<b>Mar 21</b>	<b>Apr 10</b>	<b>Apr 02</b>
Easter Monday	<b>Apr 09</b>	<b>Mar 24</b>	<b>Apr 13</b>	<b>Apr 05</b>
Victoria Day	<b>May 21</b>	<b>May 19</b>	<b>May 18</b>	<b>May 24</b>
Canada Day*	<b>July 02</b>	<b>Jun 30</b>	<b>Jul 06***</b>	<b>July 02</b>
Civic Holiday*	<b>Aug 06</b>	<b>Aug 04</b>	<b>Aug 03</b>	<b>Aug 02</b>
Scheduled Day	<b>Aug 31</b>	<b>Aug 29</b>	<b>Sep 04</b>	<b>Sep 03</b>
Labour Day	<b>Sep 03</b>	<b>Sep 01</b>	<b>Sept 07</b>	<b>Sep 06</b>
Thanksgiving Day	<b>Oct 08</b>	<b>Oct 13</b>	<b>Oct 12</b>	<b>Oct 11</b>
Christmas Shutdown	<b>Dec 24</b>	<b>Dec 24</b>	<b>Dec 24</b>	<b>Dec 24</b>
Christmas Shutdown	<b>Dec 25</b>	<b>Dec 25</b>	<b>Dec 25</b>	<b>Dec 27</b>
Christmas Shutdown	<b>Dec 26</b>	<b>Dec 26</b>	<b>Dec 28</b>	<b>Dec 28</b>
Christmas Shutdown	<b>Dec 27</b>	<b>Dec 29</b>	<b>Dec 29</b>	<b>Dec 29</b>
Christmas Shutdown	<b>Dec 28</b>	<b>Dec 30</b>	<b>Dec 30</b>	<b>Dec 30</b>
Christmas Shutdown	<b>Dec 31</b>	<b>Dec 31</b>	<b>Dec 31</b>	<b>Dec 31</b>
<del>Personal Floaters**</del>	<del><b>5 Days</b></del>	<del><b>5 Days</b></del>	<del><b>5 Days</b></del>	<del><b>5 Days</b></del>

\* May be designated as a personal floater as defined in (A) (ii) for eligible employees.

**\*\*Personal Floaters are suspended for the term of this agreement.**

~~Personal floaters must be scheduled in 1-week increments. Employees are deemed to be scheduled for an 8-hour shift for the purposes of scheduling this week off and for payment under this provision.~~

**\*\*\* In 2009, the Canada Day Holiday may be designated for January 2.**

The Company may amend the above schedule to align with negotiated changes at our Canadian customers.

**(A)** Personal Floater holiday time schedule:

**(i)** 1 From January 1 to June 30

**(ii)** 1 From July 1 to December 31

**(iii)** Balance From January 1 to December 31

Seniority By:

April 15

October 15

July 1

Employees who have scheduled an additional floater holiday, shall not be eligible for overtime on that day. Floaters may not be taken in conjunction with each other.

**(B)** Employees will be granted permission by seniority, but the Company will not be obliged to grant to more than fifteen (15) employees or fifteen (15) percent of the employees, whichever is the lesser, any combination of paid time off work as per this article and clause 12.11 on any one shift and department at any one time.

**(C)** In order to receive payment for the holidays an employee shall:

**(i)** Observe the holiday(s)

**(ii)** Present his/her request for a particular day to his/her immediate supervisor, in writing, at least two (2) weeks in advance.

**(iii)** For employees unable to observe such holiday(s) by June 30 and December 31, due to illness or injury, Clause 11.26 shall apply.

**(iv)** Have completed his/her probationary period as shown in (A).

**(v)** Payment for each floater will be eight (8) hours except that an employee on straight four - tens (4-10's) or (4 x 10's) for Christmas designated floater will be paid ten (10) hours.

**(vi)** For shutdown weeks, all employees are deemed to be scheduled for an 8 hour shift for the purposes of payment under this article.

**11.25** All seniority employees on the payroll as of the date of such holiday will be paid as provided hereinafter, subject to the following conditions. An otherwise eligible employee shall forfeit his/her holiday pay if:

**(A)** He/she is absent from work on the full scheduled shift prior to or the full scheduled shift following the holiday, unless he/she is excused, in writing, by the Manager Industrial Relations, or his/her designate. However, an employee shall not lose more than the pay for one (1) such holiday for any one occurrence. Lateness of no more than two (2) hours will not be considered as failure to have worked the full scheduled shift. For the purposes of this clause, full scheduled shift shall mean that scheduled for the plant excluding premium days. However, if an employee works Saturday or Sunday scheduled overtime, he/she shall not be disqualified because he/she was absent on the regular day shift or night shift prior to a Monday holiday, or absent on a Monday following a Thursday or Friday holiday.

**(B)** He/she is on strike.

**11.26 (A)** Eligible employees absent from work due to any layoff, leave of absence, personal illness or a non-compensable accident, shall receive pay for such holiday(s) if such layoff, leave of absence, personal illness or non-compensable accident did not commence prior to thirty (30) calendar days before the holiday(s) is observed.

**(B)** Any seniority employee absent from work due to illness or injury which is covered by Weekly Indemnity or the Workplace Safety & Insurance Board or absent due to a maternity, paternity or parental leave which is covered by E.I., will receive the difference between what he/she is receiving and the holiday(s) pay that he/she would normally receive on an eight (8) hour shift and provided he/she has worked in the last twelve (12) months. An employee scheduled to return to work on a holiday(s) from sick leave who doesn't qualify for Weekly Indemnity or Workplace Safety & Insurance Board benefits for such day shall receive his/her normal holiday pay.

**(C)** Payment made as per this clause shall be made immediately upon an employee qualifying and the proper amount of such payment is known.

**11.27 (A)** Employees eligible under these provisions shall receive pay for the number of hours they would normally be scheduled to work on each of the above holidays except as specified in 11.24 (c) (v).

The rate of pay shall be day rate for day rated employees, the classification rate for non-incentive employees and average hourly earnings as defined in Clause 14.12 for incentive employees and non-incentive jobs that include an element of incentive work, including the Cost-of-Living Allowance.

**(B)** All holidays falling on Friday shall be observed on Thursday for all afternoon and night shifts, excluding the B1 shift.

**11.28** When holiday(s) specified above fall within an eligible employee's approved vacation period and he/she is absent from work during his/her regularly scheduled work week because of such vacation, he/she shall be paid for such holiday(s) and shall be given an extra day, the day before or the day after his/her vacation period if he/she so desires, provided he/she has informed the Company of such intent prior to his/her vacation period. Canada Day or the Civic Holiday are exceptions and will be designated as a personal floater as defined in 11.24 (A)(ii) at the Company's option.

**11.29** Employees who have been requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause for such failure, shall not receive holiday pay for that day under these Holiday Pay Clauses.

**11.30** Employees who accept and perform work on the holiday(s) observed above shall receive holiday pay in addition to double time for overtime performed on such holiday(s).

**11.31** Each of the above holidays, shall be observed on the day upon which it falls unless otherwise declared by the Federal Government, or by agreement between the Company and the Union prior to such holiday.

### **Jury Duty**

**11.32** A seniority employee who is summoned and reports for jury duty, or has been summoned and reports as a crown witness, as prescribed by applicable law, shall be paid by the Company an amount equal to the difference between the daily jury or witness fee paid by the court (not including Travel Allowance or reimbursement of expenses), for each day on which he/she reports for or performs jury duty, or as a witness and on which he/she otherwise would have been scheduled to work for the Company, and wages which would have been earned by the employee from the Company by working during straight time hours plus the current COLA. If an employee is on jury duty during the vacation shutdown, he/she will be entitled to re-schedule his/her vacation.

This Clause will also apply in the case of an employee who is working afternoon or night shift who has to report for jury duty or crown witness during non-scheduled working hours. Such employee will be granted his/her shift off with pay, the shift following or shift prior to the day he/she reports for jury duty or crown witness.

**11.33** In order to receive payment, an employee must give management prior notice that he/she has been summoned for jury duty or as a crown witness and must furnish satisfactory evidence that he/she reported for, or performed jury duty, or appeared as a witness on the days for which he/she claims such payment

**11.34** The rate of pay shall be as per clause 11.27.

### **Bereavement**

**11.35** When a death occurs in an employee's immediate family, (i.e. spouse, parent, parent of a current spouse, child, brother, sister, step-brother, step-sister, step-parent, step-parent of a current spouse, step-child, grandchild, brother-in-law, sister-in-law, daughter-in-law, son-in-law and grandparents, grandparents of a current spouse, also brother-in-law, sister-in-law of a current spouse), the employee, upon request, will be excused for the three (3) normally scheduled working days, excluding Saturdays, Sundays, vacations and holidays, surrounding the date of the funeral, provided he/she attends the actual funeral.

However, in the event the employee attends a memorial service because he/she could not attend the funeral, he/she will be excused for the three (3) normally scheduled working days, excluding Saturdays, Sundays, vacations and holidays, surrounding the date of the memorial service. If the employee chooses not to attend the funeral but attends a memorial service, he/she will be granted a one (1) day leave with pay. Employees who do not attend the funeral or a memorial service will be entitled to a (1) day leave with pay surrounding the date of the funeral/memorial service or, in the event that there is no funeral or memorial service, the day following the date of the relatives death.

**11.36** An employee excused from work under this paragraph shall, after making written application and submitting satisfactory evidence to the Company, receive the amount of wages he/she would have earned by working during the straight time hours on such scheduled days of work for which he/she is excused.

**11.37** Payment shall be as per clause 11.27 and will not include shift premium.

### **Shift Premiums**

**11.38** Employees working on the afternoon shift will receive **\$1.00** shift bonus for all hours worked during the week including overtime hours, excluding overtime premium.

**11.39** Employees working on the night shift will receive **\$1.50** shift bonus for all hours worked during the week including overtime hours, excluding overtime premium.

**11.40** An employee who works on the day shift shall not be paid shift bonus for any hours worked the week including overtime hours.

### **ARTICLE 12 - VACATIONS**

**12.01** Employees who have completed less than one (1) year of service as of June 30th of the year preceding the vacation year will receive vacation pay of four (4) percent of their total earnings and shall be granted a minimum of one (1) day for each month of service, to a maximum of five (5) working days for vacation purposes.

**12.02** Each employee who completed one (1) year or more of service as of June 30 and who has worked during the year preceding the vacation year will receive vacation pay and shall be granted leave of absence for vacation purposes, in accordance with the following schedule:

- (A) One (1) and less than **five (5)** years, 4% and two (2) weeks.
- (B) Five (5) and less than **twelve (12)** years, 6% and three (3) weeks.
- (C) Twelve (12) and less than **twenty (20)** years, 8% and four (4) weeks.
- (D) Twenty (20) and over, 10% and five (5) weeks.

**12.03** Should an employee in any of the categories in Clause 12.02 of this Article who has worked and experienced, during the period defined under clause 12.09, a leave of absence due to illness or accident in excess of thirty (30) continuous calendar days, he/she will, dependent upon his/her length of service, be paid the greater of the applicable percentage of his/her total earnings or a stated number of hours as provided below:

Should an employee in any of the categories in Clause 12.02 of this Article who has worked a minimum of 1,000 hours during the vacation year defined under clause 12.09 and also experienced a layoff in excess of thirty (30) continuous calendar days, he/she will, dependent upon his/her length of service, be paid the greater of the applicable percentage of his/her total earnings or a stated number of hours pay as provided below:

- (A) Eighty (80) hours
- (B) One hundred twenty (120) hours
- (C) One hundred sixty (160) hours
- (D) Two hundred (200) hours

at his/her classification rate for a non-incentive employee and 150% of base rate for an incentive employee plus the add-on in Appendix "A".

For the purpose only of calculating minimum hours worked, hours paid for holidays not worked, jury duty, bereavement leave, Union leave as per Clause 6.23 and 10.08 and also hours absent while on Workplace Safety & Insurance Board benefits shall be considered as hours worked provided the employee has worked during the vacation year.

**12.04** The vacation year shall be from July 1 through June 30. Vacation time off must be taken during the current vacation year and cannot accumulate to be taken in any subsequent vacation years.

Any employee may request his/her vacation four (4) months prior to the vacation year provided he/she makes written application with his/her Supervisor fourteen (14)



calendar days in advance, such request will be granted in conjunction with the second paragraph of Clause 12.08.

Employees requesting and receiving advanced vacation time off will also receive the appropriate advance vacation pay, if requested.

**12.05** An employee who has earned a vacation under the terms of this Article and is terminated, or quits from active employment on or after July 1st, shall receive any unpaid Vacation Allowance due him/her.

**12.06** When an employee has worked sufficient time to draw vacation pay and dies, the surviving spouse, children, or estate shall be entitled to his/her vacation pay.

**12.07** Time off will be given to an employee during the vacation year.

**12.08** Recognizing its responsibility to allow employees to plan their vacations, the Company will notify employees of their annual vacation dates not later than April 30th of the year preceding the vacation year. Any employee required to work during the normal vacation period will be so notified by May 31st and will be given preference for his/her vacation period.

An employee who is required to work during the normal vacation period, or an employee entitled to vacation in addition to that scheduled through the posted vacation period, will be granted their vacation at a time other than the normal vacation period provided they make written application with their Supervisor within thirty (30) calendar days of the Company notice of the vacation period. For times other than the posted vacation time the Company will not be obligated to grant vacation time to more than fifteen (15) employees or fifteen (15) percent of the employees, whichever is the lesser, in any one department at any one time. In departments of twenty (20) employees or less the maximum shall be three (3) employees at one time. In the event more employees than the above maximum request vacation time for the same period employees will be given preference by seniority.

For times other than the posted vacation period and during the months of July and August, the Company will not be obligated to grant vacation time to more than thirty (30) employees or 30% of the employees, whichever is the lesser, in any one department at any one time. In departments of twenty (20) employees or less the maximum shall be four (4) employees at one time. In the event more employees than the above maximum request vacation time for the same period, employees will be given preference by seniority.

**12.09** Vacation Allowances shall be computed as follows:

Total earnings shall mean wages (**excluding vacation pay**) received from the Company as taxable income up to the 1st pay period ending after June 15th in the current year.

**12.10** An employee who has satisfactory medical evidence that he/she was hospitalized, or was otherwise disabled to a similarly serious extent, preventing him/her from taking or continuing his/her scheduled vacation, shall be eligible for Weekly Indemnity benefits and may re-schedule that portion of his/her vacation disrupted by the disability. The time of the postponed vacation shall be mutually agreed between the employee and his/her Supervisor.

**12.11** Employees with five (5) or more years of service as of July 1, 2001 will be entitled forty (40) hours of additional vacation with pay:

These vacation hours may be scheduled in four hour increments and may be taken consecutively. The employee must make his/her request in writing to their supervisor ten (10) days prior to the time requested. This time limit may be waived by the supervisor in special cases. Limitations on the number of employees eligible to take vacation at any one time will be determined as per clause 12.08. The provisions of clause 12.04 will not apply to employees who retire prior to July 1.

The request will be granted provided it does not cause a production problem. In the event more than one (1) employee requests time and all requests can not be granted, seniority will prevail.

In the event the vacation hours are not used by June 30 of the following year the employee will receive payment at their rate of pay including COLA at that time.

Employees who have scheduled vacation as per this clause shall not be eligible for overtime on that day.

~~**12.12** Employees with seniority as of June 30 of each year and with a minimum of 1000 hours worked, will receive with the 2<sup>nd</sup> pay in December, a special payment of \$1,000.00 which is RRSP eligible.~~

~~Only employees on the seniority list as of December 1<sup>st</sup> will be eligible for this special payment.~~

~~Employees who have failed to work the minimum hours during the 52 weeks prior to June 30 shall be entitled to the above special payment reduced by five (5) percent for each fifty (50) hours (or fraction thereof) by which the employee has failed to work the minimum hours for that year. Minimum hours shall mean hours as calculated in clause 12.03.~~

**This provision is suspended for the term of this agreement and vacation bonus will not be paid beyond 2006.**

## **ARTICLE 13 - DAY RATES**

**13.01** The Company agrees to establish day rates on all day rate jobs. These day rates shall be established using any of the current accredited Industrial Engineering techniques and will be expressed as 125% efficiency, which is equivalent to 250% efficiency under Article 14. In the event of a dispute on any day rate, the stop watch method or predetermined time system will be used for verification.

The Company, in establishing day rates, will do so on the basis of fairness and equity in that such day rates shall be based on reasonable working capacities of normal experienced employees working at a reasonable pace producing quality work using prescribed methods.

**13.02** Before the Company observes or studies any job, the worker who works on the job and the Union's representative shall be notified in advance and shall be told the purpose of the observation or study.

**(A)** Where a job is being studied for the purpose of establishing a day rate, it shall be the Company's responsibility to establish and instruct the operator in the prescribed method prior to the study being made. The operator to be studied shall be mutually agreed upon by the parties and shall be an operator who normally performs the job.

**(B)** The operator shall not be serviced or assisted by anyone except those whose job it is to service and assist.

**(C)** The study shall be taken under the conditions and circumstances that normally exist on the job, using stock and materials the operator can expect to receive based on these existing conditions and circumstances.

**(D)** The Union Time Study Representative shall take a study at the same time as the Company Time Study Representative and at the conclusion of such study they shall compare their studies. The day rate shall be established by the Company.

**13.03** Upon request of the Plant Chairperson or his/her designated representative, the Company will provide copies of all the relevant records required for investigation by the Union of a day rate.

**13.04** The Company shall post all day rates on the respective jobs and machines and keep them clear and up to date. This sheet will also show all elements of the job .

**13.05** The day rate shall include an allowance of fifteen per cent (15%) which shall include rest periods and wash-up for personal relief, fatigue, and unavoidable delays.

**13.06** A day rate once established shall not be changed except in the case where the Company makes a substantial change in the materials, tools, machines, method or design of an operation, unless it is found through investigation of a grievance presented by the Company or the Union that there is a clerical error or an error in computation.

**(A)** A change shall be considered to be substantial when it changes the time per piece in the time study which existed prior to the change by five (5) percent or more.

**(B)** Procedure for determining whether a change in the time per piece amounts to five (5) percent or more shall be as follows:

1. A time study shall be made of only those elements of an operation which are directly affected by the change.
2. After a time study as indicated in (1) above has been made, a comparative data sheet shall be set up showing the elements of the operation which have been affected by the change, how the change affected them, and the time for each element that existed prior to the change and the proposed time after the change.
3. The Company shall examine the data sheet and determine if the difference in the time for those elements of the operation which are affected by the change reduces the time per piece which existed prior to the change by five (5) percent or more.
4. If the difference in (3) above is determined to change the time per piece which existed prior to the change by less than five (5) percent, then under no circumstances shall the time per piece be changed. However, if at some future date, additional changes are made, all elements which were previously changed but not used to change the day rate because the time did not amount to five (5) percent or more will be used, but the five (5) percent rule shall still apply.
5. If the difference in (3) above is determined to change the time per piece which existed prior to the change by five (5) percent or more, then the time for those elements affected by the changes as determined by the time study indicated in sub-section (1) above, if any, shall be placed in effect and the old time study and day rate re-computed with the new figures. The Company will give a copy of the revised day rate to the Union simultaneously to issuance of the day rate.

**(C)** Whenever the Company makes a change in product, day rates for operations that existed prior to the change and are still performed on the changed product shall not be changed. On operations where a change has occurred, the procedure for changing day rates will be followed.

**13.07** Day rates shall be expressed in standard hours per hundred (100) units produced.

**13.08** All correction pay slips will be given to the employee by their Supervisor.

## **Work Measurement**

**13.09** In order to enable an accurate assessment of the nature and degree of any changes, all time studies used in developing a day rate shall show all elements into which the operation has been broken down, the element end points, the sequence of elements, the method, a general sketch showing the location of tools, equipment and stock applicable to the particular group or type of operations, and all other conditions and circumstances under which the operation was studied.

**13.10** Machine or process controlled elemental time will be recorded as observed while running according to the prescribed method. Rheostats and controls shall be at the settings as designated by the Company.

**13.11 (A)** All machine controlled, cycle controlled, production controlled or any other restricted time in a job shall be inserted in the day rate by leveling the machine, cycle, production or other controlled time so as to yield output on the same basis as manual time in the same job.

**(B)** All such controlled time in a job on any new or changed job will be leveled to yield output of 125%, but only for the time he/she is working on the day rate.

**(C)** Employees required to work with off-standard material or malfunctioning machinery, tools or equipment will be required to perform any necessary work including restarting/resetting the equipment, returning the equipment to home position, repositioning components and/or inserting missing components in order to maximize machine up-time. This necessary work will be reviewed and approved by The Joint Health & Safety Committee Co-chairs and appropriate training will be provided as applicable.

**13.12** Manually controlled elements will be leveled to one hundred (100) percent of normal performance.

All machine control time will be leveled to one hundred (100) percent of normal performance and rated as per Clause 13.11.

**13.13** Elements that occur at less than one for one will be entered as per occurrence.

**13.14** When establishing or revising a day rate on MIG Welders, the Company will set the rate to yield 125% at an appropriate wire speed.

**13.15** Observed time for elements of manual work, including those which may be performed internally or externally in conjunction with machine or process controlled

elements will be performance rated using walking three (3) miles per hour and dealing twenty-six (26) cards in fifteen (15) seconds as normal or 100%. Performance ratings will be recorded in increments of five (5) percent.

Employees are expected to maintain at least 125% efficiency of the established day rate.

**13.16** When manual elements of work and a machine controlled element occur simultaneously, the controlling time to be used as the elemental allowance time will be determined after the times are leveled and fatigue and personal factors applied. However this Clause will not restrict the Company to one person - one machine operations.

### **Disputes on Day Rates**

**13.17** Any disagreement with a day rate shall be processed in the following manner:

**(A)** The grievance shall be appealed directly to the Manager - Industrial Relations. The Local Union Time Study Representative, the Divisional Committeeperson and the Company Industrial Engineer shall review the day rate and jointly observe the operation unless agreed otherwise. It is agreed that the Plant Chairperson may be in attendance during the review.

**(B)** At any stage during this Grievance Procedure, including arbitration, the Union may request a representative from the National Union's Engineering Department and he/she shall be allowed to study the operation in dispute.

**(C)** If the grievance is not resolved within two weeks of the date of the grievance, it shall be referred to a mutually agreed arbitrator as quickly as possible and his/her decision will be final and binding on all parties.

**13.18 (A)** An employee working on a disputed (grieved) day rate will continue to work against the day rate until such time as the grievance is settled and he/she shall be expected to maintain at one hundred and twenty-five (125%) percent efficiency based on the day rate established by the Company. Failure to meet this 125% efficiency will be cause for disciplinary action up to and including suspension or discharge, however such disciplinary action will not be served until the day rate has been resolved.

The above is based on the procedure outlined in Clause 13.17 having been followed and completed.

**(B)** The day rate must be on the job at least five (5) working days except on a short run job which must be run for five (5) working days or three (3) production runs whichever comes first.

## **Day Rate Arbitrators**

**13.19** The Company and Union have mutually agreed on one (1) person for the purpose of reviewing day rates under grievance. If the Company or Union find cause for dissatisfaction, the person selected could be terminated by either the Company or Union and a replacement will be selected by mutual agreement.

## **ARTICLE 14 - STANDARDS AND INCENTIVE RATES**

**14.01** The Company agrees to establish work standards on all incentive jobs. These standards shall be established using any of the current accredited Industrial Engineering techniques. In the event of a dispute on any standard, the stop watch method will be used for verification.

The Company, in establishing work standards, will do so on the basis of fairness and equity in that such standards shall be based on reasonable working capacities of normal experienced employees working at a reasonable pace producing quality work using prescribed methods.

**14.02** Before the Company observes or studies any job, the worker who works on the job and the Union's representative shall be notified in advance and shall be told the purpose of the observation or study.

**(A)** Where a job is being studied for the purpose of establishing a work standard, it shall be the Company's responsibility to establish and instruct the operator in the prescribed method prior to the study being made. The operator to be studied shall be mutually agreed upon by the parties and shall be an operator who normally performs the job.

**(B)** The operator shall not be serviced or assisted by anyone except those whose job it is to service and assist.

**(C)** The study shall be taken under the conditions and circumstances that normally exist on the job, using stock and materials the operator can expect to receive based on these existing conditions and circumstances.

**(D)** The Union Time Study Representative shall take a study at the same time as the Company Time Study Representative and at the conclusion of such study they shall compare their studies. The standard shall be established by the Company.

**14.03** Upon request of the Plant Chairperson or his/her designated representative, the Company will provide copies of all the relevant records required for investigation by the Union of a work standard.

**14.04** The Company shall post all existing work standards on the respective jobs and machines and keep them clear and up to date. This sheet will also show all elements of the job and approximate stock locations.

**14.05** The work standard shall include an allowance of fifteen per cent (15%) which shall include rest periods and wash-up for personal relief, fatigue, and unavoidable delays.

An additional allowance of ten percent (10%) shall be applied to all new or revised jobs in which the production process is totally machine controlled.

**14.06** A work standard once established shall not be changed except in the case where the Company makes a substantial change in the materials, tools, machines, method or design of an operation, unless it is found through investigation of a grievance presented by the Company or the Union that there is a clerical error or an error in computation. A work standard once established shall not be changed merely because of a change in feeds or speeds (except to utilized inherent idle time) name, symbol, or number of any materials, tools, machines, or operations.

**(A)** A change shall be considered to be substantial when it changes the time per piece in the time study which existed prior to the change by five (5) percent or more.

**(B)** Procedure for determining whether a change in the time per piece amounts to five (5) percent or more shall be as follows:

1. A time study shall be made of only those elements of an operation which are directly affected by the change.
2. After a time study as indicated in (1) above has been made, a comparative data sheet shall be set up showing the elements of the operation which have been affected by the change, how the change affected them, and the time for each element that existed prior to the change and the proposed time after the change.
3. The Company shall examine the data sheet and determine if the difference in the time for those elements of the operation which are affected by the change reduces the time per piece which existed prior to the change by five (5) percent or more.
4. If the difference in (3) above is determined to change the time per piece which existed prior to the change by less than five (5) percent, then under no circumstances shall the time per piece be changed. However, if at some future



date, additional changes are made, all elements which were previously changed but not used to change the work standard because the time did not amount to five (5) percent or more will be used, but the five (5) percent rule shall still apply.

**5.** If the difference in (3) above is determined to change the time per piece which existed prior to the change by five (5) percent or more, then the time for those elements affected by the changes as determined by the time study indicated in subsection (1) above, if any, shall be placed in effect and the old time study and work standard re-computed with the new figures. The Company will give a copy of the revised work standard to the Union simultaneously to issuance of the work standard.

**(C)** Whenever the Company makes a change in product, work standards for operations that existed prior to the change and are still performed on the changed product shall not be changed. On operations where a change has occurred, the procedure for changing standards will be followed.

**14.07** It is understood employees are expected to follow prescribed methods established for incentive jobs in the Company's plants. However, employees through their own skill and effort will be allowed to alter such methods to increase their earnings including the increase of feeds and speeds. It is understood that where such alternate methods, feeds, and speeds, are inaugurated by employees, the safety, equipment and quality requirements specified by the Company will be adhered to. These safety requirements will include the safe operating procedures for tools and equipment. Such alternate methods shall not be interpreted as a job change as defined in Clause 14.06.

**14.08 (A)** An incentive worker shall be paid **90%** of base rate when any one of the following conditions exists, and he/she is instructed to continue working on his/her normal job, or act in a capacity away from his/her normal job:

- (i)** To perform under non-standard conditions;
- (ii)** To perform with off-standard material;
- (iii)** Malfunctioning machinery, tools or equipment.

Employees required to work under non standard conditions will be required to perform any necessary work including restarting/resetting the equipment, returning the equipment to home position, repositioning components and/or inserting missing components in order to maximize machine up-time. This necessary work will be reviewed and approved by The Joint Health & Safety Committee Co-chairs and appropriate training will be provided as applicable.

Employees will be required to submit production representing a minimum of 100% of the production standard for all time submitted under this provision.

**(B)** An employee working on incentive shall be paid 175% of the base rate to perform on a job which is being revised from the time the revision is put into effect or on a new job which has no work standard for a period of sixty (60) calendar days. If the work standard is still not established at the end of a sixty (60) day period he/she will be paid 190% of the base rate.

**14.09** During the work day, provision for payment of actual downtime at **90%** of the base rate shall be provided. **In the event that any one occurrence of downtime exceeds 40 consecutive minutes and the employee is not re-assigned to work within his/her classification or to available work during this period, the employee will be paid Average Earnings for the entire period of downtime.** The employee will record such downtime on his/her production card at the time of such occurrence, and have it signed by his/her Supervisor. Any employee moving from one job to another during the work day shall not be paid downtime unless the employee is down at least three (3) minutes.

Employees going to first aid for other than an injury received on the job, or for any other non-job related reasons for which he/she has the permission of his/her Supervisor, will be paid **90%** of his/her base rate for such time lost from production during his/her shift.

Employees who are assigned during working hours by the Company to have medical tests and/or examinations shall be paid average earnings.

**14.10** Work standards shall be expressed in standard hours per hundred (100) units produced. Standards will be established to provide an operator of average skill and ability working at a steady incentive pace the opportunity of earning two hundred and twenty (220) percent of the published standard but only for the time he/she is working against the standard.

**14.11** All incentive workers shall have their incentive earnings computed on the basis of their incentive performance on each job performed during the workday. The Company shall provide all employees with a record of their actual earnings on each job on the second work day following.

All correction pay slips will be given to the employee by their Supervisor.

**14.12** Incentive earnings shall be calculated on a daily basis. An employee's weekly average earnings shall be calculated on the basis of his/her total earnings, excluding overtime, night shift premium and Cost-of-Living Allowance, but including the add-on in Appendix "A" for the four (4) week period, ending two (2) work weeks previous. The Union will be supplied weekly with one copy of the employees average earnings.

## **Work Measurement**

**14.13** In order to enable an accurate assessment of the nature and degree of any changes, all time studies used in developing a work standard shall show all elements into which the operation has been broken down, the element and points, the sequence of elements, the method, a general sketch showing the location of tools, equipment and stock applicable to the particular group or type of operations, and all other conditions and circumstances under which the operation was studied.

**14.14** Machine or process controlled elemental time will be recorded as observed while running according to the prescribed method. Rheostats and controls shall be at the settings as designated by the Company.

**14.15 (A)** All machine controlled, cycle controlled, production controlled or any other restricted time in a job shall be inserted in the work standard by leveling the machine, cycle, production or other controlled time so as to yield earnings on the same basis as manual time in the same job.

**(B)** As of August 21, 1980 all such controlled time in a job on any new or changed job will be leveled to yield earnings at 220%, except in jobs where it is mutually agreed to apply a straight cross referral. Relative to current base rates, for an employee of average skill and ability working at a good incentive pace, 220% is recognized as being a reasonable earnings opportunity, but only for the time he/she is working against the standard.

**14.16** Manually controlled elements will be leveled to one hundred (100) percent of normal performance.

All machine control time will be leveled to one hundred (100) percent of normal performance and rated as per Clause 14.15.

**14.17** Elements that occur at less than one for one will be entered as per occurrence.

**14.18** When establishing or revising a work standard on MIG Welders they shall be studied with the wire feed set at a speed of 550 inches for .035 wire on a 250 AMP power source and will be rated as per Clause 14.15.

Additional tables shall be established for other wire sizes and power sources, such tables will be relative to the table in this Clause.

**14.19 (A)** Observed time for elements of manual work, including those which may be performed internally or externally in conjunction with machine or process controlled elements will be performance rated using walking three (3) miles per hour and dealing twenty-six (26) cards in fifteen (15) seconds as normal or 100%. Performance ratings will be recorded in increments of five (5) percent.

**(B)** For performance exceeding the work standard, the full premium shall be paid, i.e. 1% of actual performance exceeding the 100% established by the production standard with a minimum guarantee of 120% of the production standard.

Employees are expected to maintain at least **220%** efficiency of the established work standard.

**14.20** When manual elements of work and a machine controlled element occur simultaneously, the controlling time to be used as the elemental allowance time will be determined after the times are leveled and fatigue and personal factors applied. However this Clause will not restrict the Company to one person - one machine operations.

### **Disputes on Work Standards or Incentive Rates**

**14.21** Any disagreement with a work standard shall be processed in the following manner:

**(A)** The grievance shall be appealed directly to the Manager - Industrial Relations. The Local Union Time Study Representative, the Divisional Committeeperson and the Company Industrial Engineer shall review the standard and jointly observe the operation unless agreed otherwise. It is agreed that the Plant Chairperson may be in attendance during the review.

**(B)** At any stage during this Grievance Procedure, including arbitration, the Union may request a representative from the National Union's Engineering Department and he/she shall be allowed to study the operation in dispute.

**(C)** If the grievance is not resolved within two weeks of the date of the grievance, it shall be referred to a mutually agreed arbitrator as quickly as possible and his/her decision will be final and binding on all parties.

**14.22 (A)** An employee working on a disputed (grieved) standard will continue to work against the standard and be paid accordingly until such time as the grievance is settled and he/she shall be expected to maintain at **two hundred and twenty (220%)** percent efficiency based on the standard established by the Company. Failure to meet this **220%** efficiency will be cause for disciplinary action up to and including suspension or discharge, however such disciplinary action will not be served until the standard has been resolved.

If additional wages are due to operators who have worked on the job because the standard has been increased as a result of the grievance settlement, they will be paid retroactive to the date of the grievance.

The above is based on the procedure outlined in Clause 14.21 having been followed and completed.

**(B)** The standard must be on the job at least five (5) working days except on a short run job which must be run for five (5) working days or three (3) production runs whichever comes first.

### **Production Standards Arbitrators**

**14.23** The Company and Union have mutually agreed on one (1) person for the purpose of reviewing standards under grievance. If the Company or Union find cause for dissatisfaction, the person selected could be terminated by either the Company or Union and a replacement will be selected by mutual agreement.

## **ARTICLE 15 - SKILLED TRADES**

The provisions of the General Agreement shall apply to employees in the Skilled Trades classifications except as altered by the provisions of this Article.

**15.01** Skilled Trades, for the purpose of this Agreement, shall be outlined in Appendix "B".

**15.02** Seniority in the Skilled Trades departments shall be by non-interchangeable occupations or trades within a department or group of departments. There shall be a separate seniority list by basic trades or classifications for Skilled Trades employees. Such employees will not be listed on departmental seniority lists. Such lists shall be available every four (4) months.

**15.03** Employees presently working under classifications listed under Appendix "B" as of April 7, 1968 shall have their total seniority in their trade classification.

Future employees entering a trades classification shall have date of entry seniority in the Skilled Trades as listed in Appendix "B".

**15.04 (A)** Production workers will not carry seniority into the trades or classifications listed under Appendix "B".

**(B)** When more than one bargaining unit employee transfers into a skilled trades classification on the same day, their bargaining unit seniority will only be used to determine their order on the skilled trades seniority list.

**15.05** Should a Skilled Trades employee become medically unfit and unable to follow his/her skilled trade, both the Company and the Union will co-operate in endeavoring to place such an employee on a job he/she is capable of performing. In the event that an employee removed from a Skilled Trades classification is subsequently cleared, by medical examination, to return to such classification he/she may elect to exercise his/her total accumulated Skilled Trades seniority as defined in Clause 15.03 to return to such classification provided he/she exercises such election within fourteen (14) calendar days of his/her receipt of medical clearance.

**15.06** The term "Journeyman/Journeywoman" as used in this Agreement shall mean any person:

**(A)** Who presently holds a Journeyman's/Journeywoman's classification in a Skilled Trades occupation, or;

**(B)** Who has served a bona-fide apprenticeship (4 years - 8,000 hours) and holds a certificate which substantiates his/her claim of service, or;

**(C)** Who has eight (8) years of practical experience in the Skilled Trades Classification in which he/she claims Journeyman's/Journeywoman's designation and can prove same. A CAW/UAW Journeyman's/Journeywoman's card will be accepted as proof.

**(D)** Who holds an Ontario License, Certificate of Qualification issued by the Ministry of Colleges and Universities, provided he/she qualifies under (b) or (c) above.

**(E)** Prior to an employee's starting date, the Company shall present to the Skilled Trades Committee person documented proof of the respective trade that the new employee is applying for.

**15.07** Any further employment in the Skilled Trades occupation in the Bargaining Unit shall be limited to Journeymen/Journeywomen and apprentices, except as outlined below.

**15.08 (A)** During any period when Journeymen/Journeywomen are unavailable, it is agreed that non-Journeymen/Journeywomen employees may be hired or reclassified on a temporary basis to supplement the work force in a Skilled Trades classification. They shall be known as supplemental employees for present employees and new supplemental employees for new hires.

**(B)** The opportunity to work as a supplemental employee shall be offered first to seniority employees; second to any laid off employees with seniority who have the present ability or an adaptable skill to do the work; if there are no laid off employees eligible, new employees may be hired on a temporary basis.

**(C)** When a Journeyman/Journeywoman becomes available either by hire, transfer or graduation of an apprentice in a skilled classification to which a supplemental employee has been assigned, such Journeyman/Journeywoman will replace the supplemental employee who shall then be laid off or returned to his/her original department.

**(D)** A supplemental employee shall not accumulate seniority within the Skilled Trades classification but shall accumulate Bargaining Unit seniority to return to his/her former job, or to apply for vacancies in the plant, as provided elsewhere in this Agreement.

**(E)** Supplemental employees shall receive ten (10) cents per hour below Journeyman's/Journeywoman's rate of the classification or trade.

**(F)** Supplemental employees shall not be permitted to work overtime until all the Journeymen/Journeywomen in the trade or classification being supplemented are given the first opportunity.

**(G)** A supplemental employee will have seniority in respect to other supplemental employees assigned to a given classification.

**(H)** Any regular supplemental employee shall work out of a Skilled Trades department.

**(I)** Supplemental employees will not be used for Skilled Trades work unless a meaningful discussion has been held with the Skilled Trades Committeeperson or his/her designate. The period of the supplemental employee will be defined by a starting date and finishing date with extension privileges after meaningful discussion with the Committeeperson or his/her designate and the employees will be identified by the Company prior to the start of work.

**15.09** In the event of an increase or decrease in the work force in any Skilled Trades classification as designated in Appendix "B", and the flow chart below, the following procedure shall apply.

**(A)** First - supplemental, second - probationary, employees will be laid off from their Skilled Trades classification.

**(B)** If any further employees are to be reduced from any skilled trades classification as listed in Appendix "B" such employees will be laid off or transferred in order of their seniority from such Skilled Trade classifications. At this time senior employees will have the option to use inverse seniority to take the layoff. After sixty (60) days the employee will have the option to return at any time.

**(C)** Employees affected by a layoff or cutback in the workforce as per (A) and (B) above may exercise their total Bargaining Unit seniority as per 9.20 (D).

**(D)** Employees declining the opportunity to exercise their total Bargaining Unit seniority as per (C) above shall only retain recall rights in the Skilled Trades classification. It will not be construed as cause for disqualification under the S.U.B. program.

**(E)** Recalls shall be made in reverse order of layoffs.

**15.10 (A)** Promotions or transfers within a Skilled Trade to a higher paid job or better job with equal pay shall be based upon the qualifications (must have Journeyman/Journeywoman status), experience and further developed skills of the respective applicants. When these factors are considered to be equal, the employee with the greatest seniority will be given the preference.

**(B)** If a promotion or transfer within a related skilled trade requires a skill not possessed, but appropriate training is available, the interested senior applicant will be given the opportunity to gain the needed skill within a reasonable period of time before help is hired.

**(C)** Data transfer and PLC logic programming including adding, deleting, changing and trouble shooting on the plant floor is the responsibility of skilled trades subject to the Company's direction, supervision and approval. The implementation of new systems of receiving and delivering information (fibre optics or any other new technology) in the future will not alter the intent that this is normally and historically Skilled Trades work.

It is understood that on new equipment (including new PLC systems) during the first two months the responsibility to debug and trouble shoot the programs will be the responsibility of management. It is also understood that during major model changes this two month period covered above may be extended by mutual agreement of the parties.

**(D)** It is agreed by the parties that normal warranties excluded, the Company will not purchase extended warranties or service contracts from outside vendors to perform work normally performed by the bargaining unit.

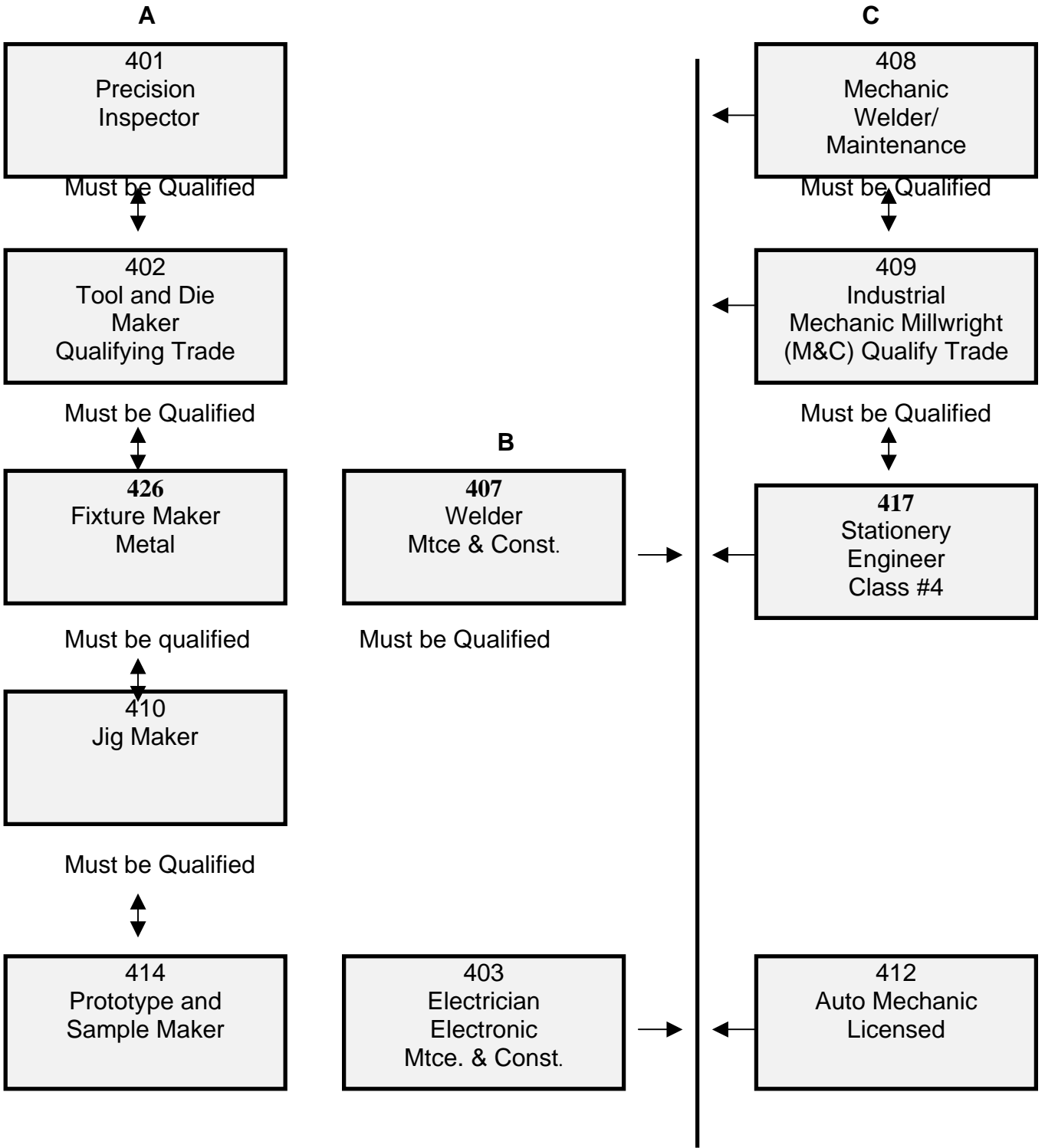
**(E)** Layoff within the Flow Chart

In the event of a layoff, bumping within the flow chart shall be in either direction. The employee must have journeymen/journeywomen status in the respective trade and will take



his/her seniority with him/her to his/her related classification within his/her trade. He/she will replace the low seniority employee within the qualifying trade section of the flow chart.

If the low seniority employee being displaced is in classification 417 – Stationary Engineer 4<sup>th</sup> Class, he/she may be retained for up to two weeks in order to provide necessary training to the employee who has displaced him/her.



-----LAYOFF-----

**(F) Seniority Within the Flow Chart**

On any move up or down on any opening within a section of the flow chart, the employee will take his/her seniority with him/her if in the related classification - he/she must be qualified.

All openings must be posted within the appropriate section of the flow chart first, then plant wide.

**15.11** Should a Skilled Trades employee, possessing Journeyman's/Journeywoman's qualifications in another trade as listed in Appendix "B" request a transfer, through job postings, or be transferred from his/her present classification into another non-related Skilled Trade Classification he/she shall retain seniority in his/her former classification for thirty (30) days, after which he/she will forfeit his/her seniority rights in his/her former Skilled Trades classification from the date of entry. This transfer shall not apply to layoff or recall and is limited to once yearly.

**15.12** The Company and the Union agree to implement an Apprenticeship Program for the Skilled Trades of Industrial Mechanic Millwright (M & C), Electrician (M & C), Tool and Die Maker, Welder (M & C). While completing his/her standard contract of 9,000 hours the Electrical Apprentice will have the option to take the electronic control course, if available. The apprenticeship standards as agreed to shall be considered as an inseparable part of this Agreement.

**15.13** When the Company appoints a lead hand of Skilled Trades employees, he/she shall be a Skilled Trades employee, who, while engaged in his/her regular Skilled Trade occupation, leads or processes the work of two or more employees.

Only a journeyman/journeywoman shall be considered as a lead hand in his/her respective trade, on the understanding that this does not prohibit such lead hand from leading other Skilled Trades groups.

A lead hand shall receive fifty (50) cents above his/her own classification rate of pay.

**15.14 (A)** The Company agrees to provide fire and theft insurance to cover recognized tools of the trades for Skilled Trades Employees. This coverage will be at replacement value with a \$10.00 deductible provision per claim.

No coverage will apply to tools not recorded in the forms provided to the Company and the Union or tools that are continually taken off Company property.

Claims processed under this provision will be subject to a thorough investigation.

**(B)** The Company shall provide a form to be filled out for the purpose of recording the employee's tools. The employee shall be responsible for ensuring that this form is properly filled out, including all additional tools.

This form shall be photocopied by the Company.

The employees shall retain one (1) copy of this form and one (1) copy shall go to the Union and the third copy will be retained by the Company.

**15.15** All work performed in the Skilled Trades by Bargaining Unit employees shall be done by Skilled Trades employees and/or apprentice employees and/or supplemental employees as covered in this Article of the Agreement.

**15.16 (A)** The Company agrees that shifts in the Skilled Trades will be on a rotating basis **as per Article 11.06** and shall be equally shared with the exception of probationary employees or unless mutually agreed otherwise. Skilled trades employees will retain the right to the use of 11.06.

**(B)** The Company will give a one (1) week notice to the Union and employee(s) involved prior to any shift change implementation.

**15.17** There shall be no numerical or alphabetical classifications within the Skilled Trades and equal rates will be paid throughout the Bargaining Unit for equivalent classification covered by this Agreement.

**15.18** In the event the Company may acquire some advanced type of machinery or equipment that would call for special servicing, or operation by an employee of the appropriate skilled trade, it is agreed that such employee will be given the advantage of taking instruction as may be needed, in order that the employee may become familiar with the necessary repair and maintenance and operating techniques required. The Company will post the training opportunities to the skilled trades within the affected classification and will select the candidates by seniority from those who have successfully met the qualifying criteria for such training. The training will be conducted by qualified instructors at a satisfactory location.

The Company agrees to pay the cost of lost wages, if any, for such training.

**15.19 (A)** Where an employee desires to further his/her knowledge in his/her particular Skilled Trade by taking courses related to his/her trade, the Company agrees to assist him/her with such training when he/she complies with the following procedure:

- (i) Submits an application for tuition refund at least three (3) weeks prior to the commencement of the course.
- (ii) Received the approval of the Manager - Industrial Relations or his/her designate before proceeding to take such course.
- (iii) Satisfactorily completes such courses.

**(B)** Reimbursement for tuition and required text books will be made, after the employee provides satisfactory evidence of successful completion of the course as follows:

- (i) For courses with tuition and required text books of three hundred dollars (\$300.00) or less, the Company will pay the full amount.
- (ii) For courses with tuition and required text books of more than three hundred dollars (\$300.00) to a maximum of fifteen hundred (\$1500.00), the Company will reimburse the first three hundred dollars (\$300.00) and eighty (80) percent of the amount in excess of three hundred dollars (\$300.00).

**(C)** Such courses must be taken during the employee's non-working hours. Employees working on afternoon shift shall have time off from work to attend classes without pay. Approval under this Clause will be for up to one (1) year with extensions if necessary, provided each section is successfully completed.

Successful completion of courses under this Clause will be recorded on the employee's personnel record.

**15.20 (A)** The Company agrees to deduct dues as may be authorized by the Canadian Region Skilled Trades Council C.A.W. from employees hired, re-hired, re-instated or transferred to a skilled trades classification or trades as listed, upon receipt of individual authorized cards signed by such employees. Such deductions shall be made at the same time as regular union dues and thereafter on an annual basis in the month of January. These deductions, along with the names of the employees, and their respective trade shall be remitted to the financial secretary of the local union on a separate list.

**(B)** The deduction of the Skilled Trades Council dues shall be a condition of employment in the Skilled Trades.

**15.21** Skilled trades work will be equally divided among the employees in each classification except as follows:

- (i) Employees participating in a zone coverage system jointly designed by participating employees and management.
- (ii) Employees assigned to specific areas in order to maximize machine uptime and resolve chronic equipment problems.
- (iii) Employees who have received specialized training as outlined in clause 15.18.

**15.22 (A)** Overtime will be equitably distributed among employees in their classification in their respective department. Any employee or employees working on a job which is not completed in the regular shift or overtime working hours, shall be permitted to continue the job but not to exceed five (5) hours. Overtime on a day to day basis shall continue to be offered to the lowest person in the classification. Any deviation from normal overtime practices shall be discussed by the Supervisor with the Steward. As of January 1st each year, all overtime hours charged will be reduced by an amount equal to the lowest hours charged within the affected classification. It is also understood that by mutual agreement this adjustment may be made at other times throughout the year.

**(B)** When the number of employees working overtime in the Trade equals or exceed five (5) employees regardless of department or shift from which the employees are selected to perform the overtime assignment, the Steward will be given the opportunity to work provided it is in his/her own classification and provided he/she has the lowest hours in that classification. Failing the above, the Union may appoint one of the employees scheduled to work as Acting Representative for the period of absence of the regular Steward and shall advise the Company accordingly.

**(C)** When overtime is scheduled in a production area not already covered by Skilled Trades the Company will endeavor to schedule the appropriate Skilled Trades people to perform those necessary assignments that are likely to occur.

**(D)** Overtime will be recorded in the following manner; all time worked at time and one-half will be charged at one and one-half the hours worked. All time worked at double time will be charged at double the hours worked. During the regular week, no hours will be charged to an employee who agrees to work unscheduled overtime provided that all of the employees within the classification have previously declined the opportunity.

**(E)** The following procedure will be followed when scheduling overtime in the skilled trades area.

1. The Company will provide an overtime sign-up document to each employee that lists the shifts that will be required for weekend overtime coverage on Monday or Tuesday of the week.
2. Employees wishing to work overtime will select those shifts which they are available to work, sign the document, and submit this completed sheet by 8 am on Wednesday (Tuesday in the case of a long weekend). Employees who fail to submit this completed document will be deemed ineligible for any weekend overtime and will be charged for any overtime hours that they would have otherwise been eligible to work.
3. Upon completion of the overtime schedule, the Company will confirm these overtime assignments with those skilled trades employees who are eligible to work and notify those ineligible for each of the scheduled shifts. The Company shall post the finalized overtime schedule in the department. Employees who subsequently decline this opportunity at this step will be charged at double the number of overtime hours scheduled for each shift declined and the Company may fill these vacancies with the employee who would have been eligible for this overtime without recalculating the hours based on Article 15.22A.

**15.23** The Company will provide coveralls, shop coats, aprons with pockets and cloth hand wipers, upon request for all Skilled Trades people.

**15.24 (A)** Work normally and historically performed by Bargaining Unit employees will not be performed by outside contractors, if the Company has the workforce, skills, equipment, and facilities to do such work.

**(B)** No Bargaining Unit employees with the present skill and ability shall be laid off while work belonging to the Company is being performed by outside contractors, providing such work can be performed by such employees.

**(C)** When sub-contracting involves work in the plant, **an** employee(s) in comparable classifications within the Bargaining Unit or **a** Bargaining Unit employee(s) who work with employees of outside contractors shall be scheduled to work at least the same number of hours as those worked by the outside contractor's employees provided that there is a legitimate learning/training opportunity applicable to their classification and function within the plant and provided further that there is meaningful discussion between the Company and the Skilled Trades representative. When sub-contractors are involved with the installation of new equipment, dies, fixtures and jigs or alterations to present equipment, dies, fixtures and jigs, **a** Bargaining Unit employee(s) in comparable classifications shall be assigned to assist or observe in the installation or alterations. If a Bargaining Unit

employee notices flaws in equipment, dies, fixtures and jigs, he/she shall report same to his/her Supervisor.

**(D)** The Company agrees there shall be meaningful discussion between the Company and the Union prior to soliciting bids and prior to any job being sub-contracted out. If the Company finds it necessary to contract out Skilled Trades work performed by its own employees, the Company will notify the Union in advance of such work being performed and the Company will describe the general nature and scope, including estimated trades and workforce involved, approximate dates within which the work is to be performed and why the service of outside contractor(s) is being contemplated at such time.

The Company will examine any alternatives proposed by the Union, and if they are competitive and within time limits, the Company will adopt these alternatives rather than have the work contracted out.

**(E)** The Company now agrees that the manufacture of new dies in addition to the refurbishing of dies shall be considered as coming under the scope of work normally and historically performed by bargaining unit employees subject to the following:

**1.** When outside contracting of either new or refurbished dies is to take place, then meaningful discussions shall occur as provided in Section 15.24 (D) of the Collective Agreement.

**2.(a)** The Company will explain the business exigencies that make the services of an outside contractor necessary based on such factors as equipment, skill and time limitations.

**(b)** The word "Equipment" refers to the physical ability and capacity of equipment; the word "skills" is defined to mean the building of dies; and the word "time" refers to the customer delivery time within which the Company must have the die.

**3.(a)** When determining whether or not new tooling can be built in-house the parties recognize that the normal maintenance requirement of the tool room must first be maintained.

**(b)** The Union will have the opportunity if they so indicate at the meeting, to reply within a reasonable period of time as to the grounds upon which they believe the work can be done in-house in accordance with item 2 and 3(a) and why the perceived limitation factors are not applicable.



4. If the work can be done in-house on regular and overtime hours in accordance with item 2 and the above noted limitations are inapplicable, then the work shall be done by the skilled trades employees of the Company in the Tool room and not by an outside sub-contractor.

**15.25** The Company agrees to pay a tool allowance of four hundred and fifty dollars (\$450.00) to each Skilled Trade employee in the following classifications:

402 403 404 408 409 410 412 414 426

This allowance will be paid in one installment of four hundred and fifty dollars (\$450.00) with the first pay in September of each year for the life of the Agreement.

In addition the Company agrees to pay the cost of license renewals for skilled trades when required by law.

**15.26** Overtime sheets will be given to the Steward the day following the overtime, with the exception of weekend overtime, which will be given on Monday.

#### **Lines of Demarcation**

**15.27** Where disputes have been resolved pertaining to normal duties and responsibilities in the Skilled Trades area, they will be recorded and used in the future as guidelines for resolving any future disputes of the same or similar nature.

**15.28** The Company and the Union agree that when there are complaints and grievances pertaining to Skilled Trades employees, any discussions and resolves that involve the Union will include the appropriate Skilled Trades Union representative(s).

#### **ARTICLE 16 - COST-OF-LIVING ALLOWANCE**

**16.01** All employees in the Bargaining Unit shall be granted a Cost-of-Living Allowance. The Cost-of-Living Allowance will be **\$1.70** per hour for the term of this agreement.

During the calendar years **2007, 2008, 2009 and 2010** the Cost-of-Living Allowance will **not** be adjusted for fluctuations in the Consumer Price Index (CPI), published by Statistics Canada (1986 = 100).

**16.02** The amount of any Cost-of-Living Allowance in effect at the time shall be included in computing overtime pay, holiday pay, call-in pay, vacation pay, bereavement pay, jury duty pay.

**16.03** In the event that Statistics Canada does not issue the Consumer Price Index on or before the beginning of any pay period referred to above, any adjustment in the allowance required by the Index shall be effective at the beginning of the first pay period after the Index has been officially published.

**16.04** No adjustments, retroactive or otherwise, shall be made due to any revision that may later be made in the published figures for the Consumer Price Index for any month on the basis of which the allowance has been determined.

**16.05** The continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the official monthly Consumer Price Index in its present form and calculated on the same basis as the Index for December 2005, unless otherwise agreed upon by the parties.

#### **ARTICLE 17 - INSURANCE PLAN / Legal Services Plan**

Such plan will form Exhibit "A" of this Agreement as if set out in full herein.

#### **ARTICLE 18 - SUPPLEMENTAL UNEMPLOYMENT BENEFITS / Severance Pay Benefits**

Such plans will form Exhibit "B" and Exhibit "D" of this Agreement as if set out in full herein.

#### **ARTICLE 19 - PENSION PLAN**

Such plan will form Exhibit "C" of this Agreement as if set out in full herein.

#### **ARTICLE 20 - GENERAL**

##### **Bulletin Boards**

**20.01** The Company agrees to establish an adequate number of notice boards for the Union use. The Union will submit all notices to the Manager - Industrial Relations or his/her designate for approval prior to posting on such boards. The Company will allow the Union to set up a publication rack in the plant to enable workers to receive copies of the official publications of their Local and National Union.

## **Change of Address**

**20.02** An employee will notify his/her immediate Supervisor and the Union within five (5) working days of any change of address. The Supervisor will complete a change of address form in triplicate and the employee will sign the form and receive a receipt. The Supervisor will forward one copy to the Industrial Relations Department and one copy to the Union.

In cases where the employee is on layoff or leave of absence, such notice will be given by registered mail or in person to the Industrial Relations Department. The employee will receive a receipt from the Company that he/she has given such notice.

The Company shall be entitled to rely upon the address shown upon its records in the Industrial Relations Department.

## **Personnel Outside Bargaining Unit**

**20.03** Any persons outside of the Bargaining Unit shall not be permitted to perform work normally performed by an employee in the Bargaining Unit except:

- (A) In an emergency when regular employees are not available;
- (B) In the instruction and training of employees;
- (C) In the performance of necessary work when difficulties are encountered on the job
- (D) In the development of products and preparation of samples and;
- (E) In the development of the method of operation.

The above exceptions shall not be used to deprive any employee of work time. The Supervisor will keep the Steward informed of the nature of such work, prior to the work being performed, where practicable.

**20.04** The pay period will be from Sunday to Saturday. The Company agrees that employees will have their pay cheques directly deposited to the financial institution of their choice on Thursday at least one (1) hour before the end of their regular shift. In case of an emergency the Company will make the pay cheque available as soon as practicable.

When an employee has a pay shortage of one-hundred (100) dollars or more, the discrepant amount will be paid on the day following the regular pay day.

## **Lead Hands**

**20.05** A Lead Hand leads a group of people in his/her department. He/she may be required to perform the regular duties of his/her normal classification and in addition, assign work to the individuals in other classifications under his/her direction. An employee may only be a Lead Hand in his/her regular department and shall have no rights over and above the other employees in their regular classification or department. He/she will report directly to the Supervisor of the department and will not be involved with the hiring, separation or formal disciplinary procedures of the Company.

Lead Hands shall be subject to all terms of this Agreement.

A Lead Hand leading a non-incentive group of employees, shall receive fifty cents (50¢) per hour above the highest classification rate of the group he/she is leading.

A Lead Hand leading a day-rate group of employees, shall receive fifty cents (50¢) per hour above the day-rate of the group he/she is leading.

A Lead Hand leading an incentive group, shall be paid 150% of the base rate for incentive employees, plus the add-on in Appendix "A".

## **Hiring Rate**

**20.06 (A)** Probationary employees will be maintained at **70%** of the base rate stipulated in Appendices "A" and "B" of this Agreement for **thirty-six** consecutive months. This **thirty-six** month period is automatically extended by the period of any absence from work for any reason including but not limited to layoff, leave of absence or illness.

**(B)** Article 20.06 (A) does not apply to Skilled Trades probationary employees.

## **Appendices**

**20.07 (A)** Attached hereto and forming a part of this Agreement is Appendix "A" covering Job Classifications and applicable Wage Rates for non-incentive and incentive workers.

**(B)** Attached hereto and forming a part of this Agreement is Appendix "B" covering Job Classifications and applicable Wage Rates for Skilled Trades.

**(C)** Attached hereto and forming part of this Agreement is Appendix "C" showing areas of Union Representation.

**(D)** Attached hereto and forming part of this Agreement is Appendix "D" covering the Apprenticeship Standards.

**(E)** Attached hereto and forming a part of this Agreement is Appendix "E" covering letters between the Company and the Union.

**20.08** The Company agrees when a new employee is hired, the Company will introduce such employee to his/her Steward.

## **ARTICLE 21 - HEALTH AND SAFETY**

**21.01 (A)** The Company recognizes its obligation to provide a safe, healthful working environment for the employees.

**(B)** The Union recognizes its obligation to co-operate in maintaining and improving a safe and healthful working environment.

**(C)** The parties agree to use their best efforts jointly to achieve these objectives and to comply fully with the Ontario Occupational Health and Safety Act (R.S.O. 1990, C. 0.1) and its regulations in effect on September 1, 1995.

**21.02** The wearing of safety glasses is compulsory throughout the plant and this rule is a condition of employment.

The Company will bear the full cost of the first pair of such glasses, including fitting fees, with a choice of four (4) different frames including prescription lenses, where required, and the employees that require bi-focal lenses shall have a choice on type of lenses.

In addition the Company will assume the cost of replacement safety glasses only if they are damaged on the job or if a new prescription is required.

The Company will provide hearing protection at no cost to employees and will replace, repair, or cause to be repaired, without cost to the employee, any hearing protection that is accidentally damaged during the course of employment if not due to personal negligence or carelessness.

**21.03 (A)** The Company will continue to subsidize the purchase of safety boots and shoes by its active employees up to \$100.00 each calendar year, and an additional pair to the extent of forty (40) percent of the purchase price without tax. The employees may purchase such safety shoes from the location of their choice, but must for purposes of reimbursement provide the Company a receipt of purchase indicating size, type and price. Prior to the purchase of an additional pair because

of wear and tear the employee must secure approval from the Manager of Industrial Relations.

**(B)** The wearing of protective hard hats shall be voluntary unless otherwise specified by the Department of Labour, in which case the cost of such hard hats will be borne by the Company.

**21.04** Where the nature of the task assigned to an employee requires the use of other special equipment or clothing, such other equipment or clothing will be provided by the Company in good repair.

The Company agrees to maintain and or improve present practices and review the total situation with the Safety Committee, with mutual agreement on any additional requirements.

**21.05** For the purposes of Article 21, the Joint Health, Safety and Environment Committee will be referred to as “the Committee”.

The Committee will consist of four (4) members, two (2) of whom shall be appointed by the Company and two (2) of whom shall be the appointed or elected representatives. The Union will appoint or elect one person from the two (2) members to be the spokesperson for the union in matters of health and safety.

The Union will appoint or elect two (2) alternates to function in the absence of the **one (1)** permanent member. These alternates will additionally participate in the monthly Joint Health, Safety and Environmental Committee meetings.

It is agreed that the Ergonomics committee will function as a sub-committee of the Joint Health Safety & Environment Committee.

The Company agrees to recognize **one (1)** full time Health and Safety Representatives, who will be appointed or elected by the Union. Off shift representation will be provided on a call-in basis as required. **The** full time Health and Safety Representative shall be certified in accordance with provincial legislation.

Following a failed attempt to reach a bilateral solution with the management certified representative, the Company recognizes that the certified workers representative will have the unilateral right to shutdown equipment. Should equipment be shut down by a “certified member” of the Committee, an incentive employee will be paid 200% and a non-incentive employee will be paid the rate of the job until he/she is re-assigned.

The Union Health and Safety Representative functions will include but not be limited to the following:

**(A)** Meet monthly at a mutually agreed time and place with the Company Health and Safety Representatives to:

- (i)** Review health and safety conditions within the plant and make recommendations as deemed necessary or desirable, and;
- (ii)** Review, recommend, and participate in the development of plant safety education, information programs, and employee/supervisor job related safety training programs;
- (iii)** Establish safety training programs on all jobs that may require such training and, where practical, deliver programs and updates developed through the Committee.

**(B)** Make monthly inspections of the plant with the General Supervisor of the area or his/her designate to assure there is a safe, healthful and sanitary working environment.

**(C)** Receive prompt notification of any fatalities or serious injuries resulting from work related accidents and in addition to be informed of accidents that did not result in serious injury but indicate a high potential for such.

**(D)** Receive all accident reports covered in (C) above.

**(E)** Accompany the National Union Health and Safety Representative(s), who, with prior advance notice, will have access to the plant and locations where members of the union are employed, for the purposes of making safety and health inspections. The Company Safety Director or his/her designate will also accompany them while on Company premises.

**(F)** Accompany the Government Health and Safety Inspector during his/her regular inspection or inspection requested by the Union. A copy of any order issued by the Government Inspector, as a result of his/her inspection, shall be given to the Union Health and Safety Representative.

**(G)** The Company will make available sampling and monitoring equipment for measuring noise, carbon monoxide, and air flow and will train the Union Health and Safety Representatives in their use. When the conditions in the plant indicate it is necessary to conduct tests with such equipment, such tests will be performed jointly.

**(H)** Assist in the updating and maintenance of required WHMIS documentation and assist with any additional programs related to hazardous material control through the Committee.

**21.06 (A)** The Company will continue to disclose the identity of all known physical agents, toxic materials or other hazardous substances to which workers are exposed.

**(B)** Any pertinent information such as symptoms, medical remedies, antidotes, required protective equipment, storage hazards etc., will be made available to the Committee.

**(C)** A fully filled in material safety data sheet shall be considered to be in compliance with the above requirement.

**21.07 (A)** The company will provide to employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric and lung function examinations, at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

**(B)** Provide to each employee or his/her physician, upon written request of the employee, a complete report of the results of any such tests or examinations, and will review the test results with the employee.

**21.08** The procedures established in this Health and Safety Program shall not preclude the right of any employee to file a grievance at Step I of the grievance procedure. Any health and safety grievance shall be filed through the supervisor of the department in which the alleged violation occurred. The primary responsibility of resolving differences involving health and safety matters remain with the management and plant bargaining committee.

**21.09** No employee will be disciplined in the event that he/she has complied with section 43 of the Occupational Health and Safety Act, as it is now written or hereafter amended.

**21.10** The Company reserves the right to formulate and publish from time to time, rules and regulations regarding the safe operation and use of machine or equipment. The Company agrees to discuss these rules and regulations with the Union prior to implementation.

It is further understood that the Company will welcome the suggestions of any employee regarding improvements in conditions considered to be of a hazardous nature.

**21.11** The Company will install a "Lock Out System" on machinery and equipment in conformity with the Department of Labour Standards. The Company will set up a



training program for employees utilizing the "Lock Out System". The Committee will monitor the effectiveness of the "Lock Out System" annually.

**21.12** Any machine or device which is found to be in an unsafe or hazardous condition shall be "Locked Out" with the prescribed locks by the Supervisor in the presence of a Union representative and remain so until made safe.

Locks will not be removed without a Union representative being informed.

**21.13** The Company agrees to provide adequate medical facilities. The Company will staff the medical aid centre with qualified medical aid staff and such staff shall be assigned to all shifts when more than seventy-five (75) employees are assigned to work, including overtime shifts.

**21.14 (A)** If an employee is injured on the job, he/she will be paid average earnings (including the current Cost-of-Living Allowance), for the balance of the first shift on which he/she has been sent home or to a hospital or doctor by the medical staff of the Company because of such injury. This shall also apply for time that an employee requires to be treated by the Company's medical staff.

**(B)** If an employee is injured in the plant and the Company wishes to place him/her on a job within his/her capabilities, the employee shall be paid average earnings for incentive employees, day rate for day rated employees and his/her own rate for non-incentive employees or the rate of the job, whichever is the greater.

**(C)** Employees returning from Workers' Compensation, while still partially disabled, shall be paid as per (B) above except that, when the Worker's Compensation Board is still providing the employee with partial benefits, he/she shall receive the rate of the job.

**(D)** If required, the Company will supply and pay for transportation to the hospital or doctor's office and then back to the plant or to the employee's home.

It is further agreed that an employee will be paid for the time lost due to subsequent treatments related to an industrial accident, during his/her regular working hours, when such treatments are pre-arranged with the Company.

**21.15** Every year on April 28, work will stop on each shift in order that one minute silence can be observed in memory of workers killed or injured on the job. The flags will be flown at half staff on this day. The Bargaining Committee will meet with management to recommend a method of accomplishing this memorial in an appropriate manner. The flags will be flown at half staff on this day of mourning, December 6 and on the occasion of a co-workers untimely death.

## ARTICLE 22 - PLANT MOVEMENT

**22.01** Except where prohibited by law, whenever the Company transfers operations from any plant or office covered by this Agreement to another plant or office owned, acquired or built by the Company, employees engaged in such operations or any employee laid off as a result of such transfer may, if they so desire, be transferred to the new plant or office with their full Company seniority including all the benefits provided for in this Agreement.

**22.02** Any employee declining such a transfer may accept a termination and be eligible to receive severance pay in accordance with the requirements of Ontario law.

**22.03** An employee accepting a transfer will be paid a moving allowance provided:

(a) The plant location is at least eighty (80) kilometers from the plant at which he/she last worked and he/she moves his/her residence as a result of such relocation, and;

(b) His/her application is received by the Company within six (6) months after commencing employment at the new plant.

**22.04** The amount of the moving allowance will be as shown in the following table:

Kilometers Between Plant Location	Single	Married
80 - 159	\$895	\$1,865
160 - 479	985	2,045
480 - 799	1,060	2,140
800 - 1599	1,255	2,510
1,600 or more	1,445	2,870

In the event an employee who is eligible to receive Relocation Allowance under these provisions is also eligible to receive a Relocation Allowance or its equivalent under any present or future governmental legislation, the amount of Relocation Allowance provided under this paragraph when added to the amount of Relocation Allowance provided by such legislation shall not exceed the amount of the Relocation Allowance the employee is eligible to receive under the provisions of this paragraph.

**22.05** Only one Relocation Allowance will be paid where more than one member of a family living in the same residence are relocated pursuant to these provisions.

**22.06** In the event of a layoff which is expected to result in seniority employees being permanently laid off, such laid off employees who make application

through the Company will be given due consideration on a seniority basis over other applicants who have not previously worked for the Company for job openings in other CAW represented Lear plants. An employee hired under this provision shall retain recall rights per their Collective Agreement. He/she shall begin in his/her new plant as a seniority employee with his/her date of hire in the new plant being his/her seniority date. His/her Company accumulated seniority will be recognized for eligibility purposes of vacation entitlements as provided in the new plant.

**22.07** Any seniority employee may make application through the Company for possible future job openings as indicated in Clause 22.06 above and the Company shall give due consideration to any such application. Any employee hired as per this clause shall retain seniority rights in this plant until such time as he/she has successfully completed his/her probationary period in the new plant.

### **ARTICLE 23 - DURATION**

**23.01** This Agreement shall become effective from the 1st day of January, **2007** to and including the 31st day of December, **2010**. Either party shall be entitled to give notice in writing to the other party as provided in the Labour Relations Act of its desire to bargain with a view to the renewal of the expiring collective agreement at any time within a period of ninety (90) days before the expiry date of the agreement. Following such notice to bargain the parties shall meet within fifteen (15) days of the notice or within such further period as the parties mutually agree upon.

It is agreed that during the course of bargaining, it shall be open to the parties to agree in writing to extend this agreement beyond the expiry date of the 31st day of December, **2010**, for any stated period acceptable to the parties and in accordance with the Labour Relations Act.

Provided that for purposes of all notices under this article, notice in writing shall be deemed to have been received by the party to whom it is sent upon the mailing of such notice by registered mail addressed to the current address of the other party.

**23.02** If pursuant to such negotiations, an agreement on the renewal or revision of this Agreement is not reached prior to the current expiration date, it shall continue in full force and effect until a new Agreement is signed, or until it is canceled by either party in writing, provided that such written notice of termination cannot be given by either party prior to the date on which conciliation proceedings under the Ontario Labour Relations Act have been exhausted.

Signed this day of **10<sup>th</sup> November, 2006** at Kitchener, Ontario.

For the Company:

For the Union:

R. Van Heukelom	B. Orr	- National Representative C.A.W.
S. French	J. Woods	- Plant Chairperson
K. Lock	T. Mitchell	- Committeeperson
J. Hauck	B. Little	- Committeeperson
M. Thibodeau	S. Plant	- Committeeperson
F. Murovec	D. Robins	- Committeeperson
Z. Oliveira	Dave Bailey	- President
K. Drimmie		

**APPENDIX “A”:**

This Appendix “A” referred to in this Article 20 and forming part of this Agreement, made between Lear Corporation Canada, Kitchener Plant and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1524, dated this **10th** day of **November, 2006**.

Job Class Name  
Non-Incentive

100	S.P.C. Mfg. Attendant.....	<b>27.77</b>
110	Quality Auditor.....	<b>27.68</b>
111	Setup.....	<b>27.78</b>
112	Automatic Feed Blanking Press Set-up (helper)	<b>27.78</b>
125	S.O.A. Tube Mill.....	<b>27.78</b>
126	S.O.A. Slitter.....	<b>27.78</b>
130	20 Ton Crane Operator.....	<b>27.02</b>
132	Die Cleaner.....	<b>27.02</b>
133	Oiler.....	<b>27.02</b>
136	Misc. Painter-Dies, Die Racks, Jigs, Set-up Bins..	<b>27.02</b>
140	Fork Lift Operator.....	<b>27.02</b>
145	Receiver.....	<b>26.71</b>
146	Export Packer.....	<b>26.71</b>
147	Stock Chaser.....	<b>26.95</b>
149	Floor Sweeper Machine Operator.....	<b>26.71</b>
151	Repairperson/Containment ( <b>red circled</b> ).....	<b>26.61</b>
<b>151</b>	<b>Repairperson/Containment/GP12 .....</b>	<b>20.00</b>
153	Janitor.....	<b>26.56</b>
154	Labourer.....	<b>26.71</b>
156	Tool Crib Attendant.....	<b>27.33</b>
160	Stock Handler.....	<b>26.56</b>
171	Welder Repairperson.....	<b>27.57</b>

Inventory: Non-Incentive - Own

Job Class Name  
Day Rate

331 – S.O.A. Automatic Feed Blanking Press	<b>29.20</b>
333 – Seat Track Assembler	<b>29.20</b>

Inventory: **26.70**

Job Class Name

Incentive

011	S.O.A. Automatic Feed Blanking Press.....	<b>4.58</b>
014	MIG Welder.....	<b>4.58</b>
015	Spot Welder - Gun.....	<b>4.58</b>
017	Wire Straightener S.O.A.....	<b>4.58</b>
023	Press Operator - General.....	<b>4.58</b>
025	S.O.A. Contour Tube Mill .....	<b>4.58</b>
240	Seat Assembly - General.....	<b>4.58</b>

**ADD-ON:**

Incentive employees will be paid an additional \$17.54 per hour effective January 1, **2007** and \$17.54 per hour effective January 1, **2008** and \$17.54 per hour effective January 1, **2009** and \$17.54 per hour effective January 1, **2010** for all compensated hours calculated at the appropriate overtime premium and to be included in the calculation of shift premium.

Inventory: Incentive - 200% of base rate

**APPENDIX “B”:**

This is Appendix “B” referred to in Article 20 and forming part of this Agreement, made between Lear Corporation Canada, Kitchener Plant and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1524, dated this **10th** day of **November, 2006**.

Job Class Name

Skilled Trades

401	Inspector – Precision.....	<b>34.04</b>
402	Tool & Die Maker.....	<b>34.04</b>
403	Electrician – Electronic Maintenance & Construction	<b>34.04</b>
407	Welder - Maintenance & Construction.....	<b>34.04</b>
408	Mechanic- Welder – Maintenance	<b>34.04</b>
409	Industrial Mechanic - Millwright (M & C).....	<b>34.04</b>
410	Jig Maker.....	<b>34.04</b>
412	Auto Mechanic - Licensed.....	<b>34.04</b>
414	Prototype and Sample Maker.....	<b>34.04</b>
417	Stationary Engineer - Class 4.....	<b>34.04</b>
426	Fixture Maker - Metal.....	<b>34.04</b>

**APPENDIX "C" - AREAS OF UNION REPRESENTATION:**

This Appendix "C" referred to in Article 20 and forming part of this Agreement, made between Lear Corporation Canada Limited, Kitchener Plant and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1524, dated this **10<sup>th</sup>** day of **November, 2006**.

Areas of Union Representation

- (A) Plant Committee Chairperson - Bargaining Unit Wide  
Benefit/WSIB-E.A.P Representative - Bargaining Unit Wide  
One (1) Health & Safety Representative - Bargaining Unit Wide  
Human Rights Representative -Bargaining Unit Wide
  
- (B) Committee people - **three (3)** Divisional  
1 Divisional Committeeperson – **Welding/Stamping/Assigned Dept.'s**  
1 Divisional Committeeperson – **Tracks/Assigned Dept.'s**  
1 Skilled Trades Committeeperson - **Depts. 37, 38, 60 (skilled trades), 90**
  
- (C) Stewards on the AR, B2, A1, B1 and C1 shifts shall be designated as follows:
  - Dept. 29, 31, 39, 60, 37 &38 non-skilled trades 1 – A1, 1-B1, 1-C1
  - Dept. 26, 1 – A1, 1-B1, 1-C1
  - Dept 33 1 – A1, 1-B1, 1-C1
  - Dept. 37, 38, 60 (skilled trades), 90 1 - A

All other shifts will be covered by a Skilled Trades employee designated by the Skilled Trades Committeeperson.

Situations where the employees are not assigned to regular areas or a change is deemed necessary the Union will designate such representation.

If a Steward's area of representation drops below ten (10) employees, such employees will be covered by the Steward in the adjacent area, as designated in writing by the Union.

When one of the rotating shifts in a Steward's area of representation drops below ten (10) employees, a Steward will be maintained on the shift that required Union representation. When the Steward is maintained on a shift other than his/her normal shift he/she shall retain seniority rights in the department only.

## **APPENDIX "D"**

This is Appendix "D" referred to in Article 20 and forming part of this Agreement, made between Lear Corporation, Kitchener Plant, and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local Union 1524, dated this **10th** day of **November, 2006**.

### **APPRENTICESHIP STANDARDS**

Agreed to by

LEAR CORPORATION

KITCHENER PLANT

And the

NATIONAL UNION

AUTOMOBILE, AEROSPACE,

TRANSPORTATION AND GENERAL WORKERS

OF CANADA (C.A.W.) And its

LOCAL UNION NO. 1524

### **APPRENTICESHIP STANDARDS**

The following standards of apprenticeship covering the employment and training of apprentices in the trades included in these standards have been agreed to by Lear Corporation, Kitchener Plant and the National Union, Automobile, Aerospace, Transportation and General Workers of Canada, C.A.W. and its Local Union no. 1524.

### **PURPOSE**

The purpose of these standards is to make certain that proper care is exercised in the selection of apprentices and that the methods of training are uniform and sound, with the result that they will be equipped for profitable employment, and to further



the assurance to the Company of proficient Journeymen/Journeywomen at the conclusion of the training period.

**THESE STANDARDS OF APPRENTICESHIP ARE TO BE UNDER THE SUPERVISION OF A JOINT APPRENTICESHIP COMMITTEE.**

**REPRESENTING**

The Company:  
Lear Corporation , Kitchener Plant

The National Union,  
Automobile, Aerospace, Transportation and General Workers of Canada,  
C.A.W. and its Local Union No. 1524

**CONSULTANTS**

Representing the Industrial Training Branch of the Ontario Department of Labour:

Representing the Board of Education:

Representing the National Union:  
Automobile, Aerospace, Transportation and General Workers of Canada,  
C.A.W. Skilled Trades Department:

## INDEX

Article	1 - Definitions
Article	2 - Applications
Article	3 - Apprenticeship Eligibility Requirements
Article	4 - Credit for Previous Experience
Article	5 - Term of Apprenticeship
Article	6 - Grace Period
Article	7 - Hours of Work
Article	8 - Ratio
Article	9 - Discipline
Article	10 - Wages
Article	11 - Related Instruction and School Attendance
Article	12 - Joint Apprenticeship Committee
Article	13 - Co-ordination of Apprentices
Article	14 - Consultants
Article	15 - Seniority
Article	16 - Apprenticeship Agreement
Article	17 - Certificate of Completion of Apprenticeship
Article	18 - Modification of Standards
Article	19 - Tool Allowance
Article	20 - Approval
Appendix	1 - Schedule of Work Processes for Industrial Machine Repairperson Apprentice
Appendix	2 - Schedule of Related Instruction for Industrial Machine Repairperson Apprentice
Appendix	3 - Schedule of Work Processes for Industrial Electrical Apprentice
Appendix	4 - Schedule of Related Instruction for Industrial Electrical Apprentice
Appendix	5 - Schedule of Work Processes for Tool and Die Maker Apprentice
Appendix	6 - Schedule of Related Instructions for Tool and Die Maker Apprentice
Appendix	7 - Schedule of related instruction for Welder M&C apprentice - when available

## **ARTICLE 1 - DEFINITIONS**

- (A) The term "Company" shall mean Lear Corporation, Kitchener Plant.
- (B) The term "Union" shall mean the duly authorized representatives of the National Automobile, Aerospace, Transportation and General Workers Union of Canada, C.A.W. and its Local Union No. 1524.
- (C) "Registration Agency" on labour standards shall mean the Ministry of Colleges and Universities. Pursuant to the Apprenticeship and Tradespeople Qualification Act. Registration Agency for the apprentice as a student covering related instruction shall be chosen by the Ministry of Colleges and Universities, pursuant to the Ontario Regulations pertaining to chosen apprenticeship.
- (D) "Apprenticeship Agreement" shall mean a written Agreement between the Company and the person employed as an apprentice and his/her parent or guardian (if he/she is a minor) which Agreement shall be approved and signed by the Chairperson and Secretary of the Committee and registered with the Registration Agencies and the Local Union.
- (E) "Apprentice" shall mean a person engaged in learning and assisting in the trade to which he/she has been assigned under these standards and who is covered by a written Agreement providing for his/her training in accordance with these standards of apprenticeship and who is registered with the Registration Agencies.
- (F) "Committee" shall mean the Joint Apprenticeship Committee organized under these standards.
- (G) "Apprentice Co-ordinator" shall mean the person employed by the Company or the person assigned the responsibility to perform the duties outlined in these standards of apprenticeship.
- (H) "Standards of Apprenticeship" shall mean this entire document, including these definitions.
- (I) "Journeyman/Journeywoman" as used in Article 8 hereof, means employees in a specific trade and shall not be construed to include Journeymen/Journeywomen employed in other trades.

## **ARTICLE 2 - APPLICATIONS**

1. Seniority Employees (Restricted Pool)

(A) Notice of apprenticeship openings will be posted on the Company's bulletin board.

(B) Applications for apprenticeship will be accepted by the Personnel Department from seniority employees (employees within the Bargaining Unit) who consider themselves eligible under this program of training.

(C) A numbered application blank will be filled out and each applicant will sign a register noting that he/she has received and filed an application.

(D) Applicants meeting the minimum eligibility requirements as outlined in Article 3 will be turned over to the Joint Apprenticeship Committee for approval or disapproval.

## 2. Outside Applicants

(A) When apprenticeship openings exceed the number of qualified seniority employees, the Company shall give the sons and daughters of seniority Bargaining Unit employees the available openings. If the openings at this point still are available the Company shall notify the local school board and public employment service by mail of the available openings, the minimum qualifications for eligibility, the closing date for application and where to file.

(B) After a preliminary check of each application by the Personnel Department, those meeting the minimum eligibility requirements outlined in Article 3 will be turned over to the Joint Apprenticeship Committee for approval or disapproval.

### **ARTICLE 3 - APPRENTICESHIP ELIGIBILITY REQUIREMENTS**

Selection of apprentices under this program shall be made from applicants on the basis of qualifications and seniority. When all qualifications and related training are equal, seniority will be the ruling factor without regard to race, creed, colour, national origin, sex or occupationally irrelevant physical requirement. In accordance with the objective standards which prevail, review after full and fair opportunity for application, this program shall be operated on a completely non-discriminatory basis.

In order to be eligible for apprenticeship under these standards, the applicant must have Grade 12 education or its equivalent.

Exceptions to these requirements may be made by the Joint Apprenticeship Committee for applicants who have unusual qualifications which may apply to the apprenticeship.

Any decision of the Joint Apprenticeship Committee is not subject to any grievance or appeal.

#### **ARTICLE 4 - CREDIT FOR PREVIOUS EXPERIENCE**

Credit for previous related experience in an apprentice training program or a Skilled Trades classification in any plant, may be given up to the total time required on any phase of the apprentice shop training or related training schedules not to exceed a maximum of two (2) years credits. Credits for such previous experience shall be given the apprentice at the time he/she has satisfactorily demonstrated that he/she possess such previous experience and is able to do the job. Related training credit shall be given the apprentice at the time that he/she has demonstrated that he/she possess the educational knowledge for which he/she is requesting credit under the related training schedule.

At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule.

#### **ARTICLE 5 - TERM OF APPRENTICESHIP**

The term of apprenticeship shall be as established by these apprenticeship standards in accordance with the schedule of work processes and related instructions as outline in Appendices attached hereto.

Each phase of the scheduled hours of shop training will be considered complete if it is within (plus or minus) 10 percent of the figure shown in the Appendix. Not more than 5 percent of the total time may be assigned to optional work as set forth in the standards. Deviations from the limitations of this paragraph may be approved by the Joint Apprenticeship Committee.

#### **ARTICLE 6 - GRACE PERIOD**

The first 500 hours of employment for every apprentice shall be a grace period. During this grace period the apprentice, if he/she is a seniority transferee, may elect to return to his/her previous occupation and his/her Apprenticeship Agreement will be canceled by the Joint Apprenticeship Committee. The Registration Agencies shall be advised of all such cancellations.

In no event shall an apprentice acquire seniority until he/she has acquired seniority as a Company employee.

## **ARTICLE 7 - HOURS OF WORK**

An apprentice shall work the same hours during the contractual work week and be subject to the same conditions as the skilled workers of his/her trade employed by the Company. Apprentices may work overtime hours providing that all skilled workers of that trade in that department have been given first opportunity. In case an apprentice is required to work overtime, he/she shall receive credit on the term of apprenticeship for only the actual hours worked.

The Joint Apprenticeship Committee may limit the hours of overtime work of an apprentice where excessive work schedules interfere with his/her related training.

## **ARTICLE 8 - RATIO**

The ratio of apprentices to Journeymen/Journeywomen shall be one (1) apprentice to each eight (8) Journeymen/Journeywomen employed in a respective trade. In trades where there are less than eight (8) Journeymen/Journeywomen, one (1) apprentice may be assigned in that trade. In the Machine Trades, the number of Journeymen/Journeywomen on which to base the number of apprentices shall be the total of Journeymen/Journeywomen classified in the specific trade as (a) tradesperson; (b) operators of basic and promotional machines and/or operations.

When there are no Journeymen/Journeywomen laid off or available in a trade, the Joint Apprenticeship Committee may mutually agree to add apprentices over and above the one (1) to eight (8) ratio.

When a reduction in force occurs in a trade where apprentices are employed, apprentices first shall be laid off until the ratio of apprentices to Journeymen/Journeywomen is one (1) to eight (8) or major fraction of eight (8). Thereafter, apprentices shall be laid off proportionately to maintain such ratio.

In the event that the ratio at the time of layoff is less than one (1) apprentice to eight (8) Journeymen/Journeywomen, then the ratio existing at the time of layoff shall be maintained, based on the major fraction principle until all Journeymen/Journeywomen in their respective trade are recalled.

The apprentices will exercise their seniority in their own group. For example, if there are four (4) apprentices in any specific trade and a reduction in this number is required due to lack of work, the first hired shall be the last laid off and the last laid off shall be the first to be reinstated.

In the event the reduction in force is due to unusual circumstances, including but not confined to, a transfer of or discontinuance of an operation, major technological developments, the elimination or consolidation of classifications, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force, the parties locally shall mutually agree to an acceptable layoff and recall plan. Such a layoff plan may provide for reducing the ratio below one (1) to eight (8), or for laying off all apprentices in a particular trade.

An employee having seniority in the plant who enters the Apprentice Training Program shall, during the period of his/her apprenticeship retain his/her accumulated seniority in his/her former seniority group and if laid off or dismissed from the Apprentice Training Program, he/she shall be returned to his/her former seniority group in the plant in line with such established seniority in his/her former seniority group.

When the work force is increased in a trade, apprentices must be recalled according to trade apprentice seniority when the Journeymen/Journeywomen increase permits the maintenance of the ratio used at the time of the layoff.

Thereafter, all apprentices in a trade shall be recalled before any new Journeyman/Journeywoman shall be hired.

## **ARTICLE 9 - DISCIPLINE**

The Committee shall have the authority to discipline an apprentice and to cancel the Apprenticeship Agreement of the apprentice at any time for cause pertaining to his/her apprenticeship such as:

- (A) Inability to learn.
- (B) Unsatisfactory work.
- (C) Lack of interest in his/her work or education which shall include failure to attend classroom instructions regularly.

This shall not limit the right of the Company to discipline an apprentice for cause for matters not related to his/her training as an apprentice. Such discipline by the Company shall be subject to the Grievance Procedure.

## **ARTICLE 10 - WAGES**

Apprentices in each of the trades covered by these standards shall be paid a progressively increasing schedule of wages as follows:

1st 1000 hours - not less than 65% of the Journeyman's/Journeywoman's wage rate.  
2nd 1000 hours - not less than 70% of the Journeyman's/Journeywoman's wage rate.  
3rd 1000 hours - not less than 75% of the Journeyman's/Journeywoman's wage rate.  
4th 1000 hours - not less than 80% of the Journeyman's/Journeywoman's wage rate.  
5th 1000 hours - not less than 85% of the Journeyman's/Journeywoman's wage rate.  
6th 1000 hours - not less than 90% of the Journeyman's/Journeywoman's wage rate.  
7th 1000 hours - not less than 95% of the Journeyman's/Journeywoman's wage rate.  
8th 1000 hours - not less than 95% of the Journeyman's/Journeywoman's wage rate.

If the apprentice is sent to a community college or trade school or a specific course deemed necessary by the Company for any period of time, the Company agrees to make up the difference in pay he/she would have received had he/she remained in the plant.

The Company agrees to pay, on behalf of apprentices covered by this Agreement for books, registration fees and/or tuition required in connection with related training under the Apprentice Program.

If the apprentice is laid off, he/she may elect to continue school classes. Tuition and books will be paid upon the return of the apprentice to the Apprenticeship Program. Tuition and book receipts will be presented to the Company by the apprentice.

The apprentice shall also receive the applicable percentage of the annual improvement factor and the full amount of all cost-of-living increases that are accorded all plant employees.

Hours spent in classroom instruction shall not be considered hours of work in computing overtime.

Apprentices who are given credit for previous experience shall be paid upon signing the Apprenticeship Agreement, the wage rate for the period to which such credit advances them.



Bargaining Unit employees whose starting rate or credit level under the Apprenticeship Program would place them at less than their present rate, will remain at 80% of the Journeyman's/Journeywoman's rate until normal advancement within the Apprenticeship Program places them at a higher rate. Employees whose present rate is higher than the regular apprenticeship starting rate but less than 80% of the Journeyman's/Journeywoman's rate will be given their present rate until normal advancement within the Apprenticeship Program places them at a higher rate.

When an apprentice has completed 8000 hours of training, he/she is to receive not less than the rate paid to skilled Journeymen/Journeywomen in the trade in which he/she has served his/her apprenticeship after approval of his/her completion of training by the Joint Apprenticeship Committee.

#### **ARTICLE 11 - RELATED INSTRUCTION AND SCHOOL ATTENDANCE**

(A) Each apprentice shall enroll and attend classes for not less than a minimum of three and one-half (3 1/2) hours weekly and for a total minimum number of related instruction hours as outlined in the Appendix for each particular trade, according to instructions by the Joint Apprenticeship Committee. Each apprentice, after enrollment in such classes, shall be registered with the Board of Education as an apprentice student if applicable.

(B) Approval of Classroom Instruction - The location and quality of the classroom instruction shall meet with the approval of the Joint Apprenticeship Committee. The schedule of related instruction shall be outlined in Appendices attached hereto, or as may be supplied by the community college or the local Board of Education wherever applicable.

(C) Enforcement of School Attendance - In case of failure on the part of any apprentice to fulfill his/her obligation as to school attendance, the Joint Committee may suspend or revoke his/her Apprenticeship Agreement, and the Company hereby agrees to carry out the instructions of said Committee in this respect. The apprentice and his/her parent or guardian, hereby agree to abide by any such determination of such Committee.

The Registration Agencies and the Local Union, the local Board of Education and the C.A.W. shall be notified of any such cancellation as this terminated the eligibility of the apprentice as a student.

## **ARTICLE 12 - JOINT APPRENTICESHIP COMMITTEE**

There is hereby established a Joint Apprenticeship Committee as defined in Article 1. This Committee shall be composed of seven (7) members, three (3) of whom shall represent the Company and four (4) of whom shall represent the Union (where practicable - one (1) from each of the apprenticed trades who will participate and one from manufacturing who will observe only). The Committee shall elect a Chairperson and a Secretary. When a Company member is a Chairperson, a Union member shall be Secretary and vice-versa. The Committee shall meet at least once a month or on call of the Chairperson or Secretary or any three members of the Joint Committee. The Union shall appoint Journeypersons from the plant as members of the Joint Apprenticeship Committee.

Each Union member of the Joint Apprenticeship Committee will be paid his/her regular rate for time spent working on official business of the Joint Apprenticeship Committee for the hours he/she would otherwise have worked in the plant.

It shall be the duty of the Committee:

- (1) To see that each prospective apprentice is interviewed in conjunction with the Apprentice Co-ordinator and impressed with the responsibilities he/she is about to accept, as well as the benefits he/she will receive. This will allow the Committee to designate whom they choose as interviewer, not necessarily a Committee member.
  - (2) To accept or reject applicants for apprenticeship after preliminary examination by the Personnel Department of the Company.
- The acceptance or rejection of applications for apprenticeship shall be governed by the standards established herein and shall not be subject to review through the Grievance Procedure.
- (3) To place apprentices under Agreement.
  - (4) To hear and decide on all questions involving the apprentices which relate to their apprenticeship.
  - (5) To work out with the local Board of Education the form, content, and schedule of the course or courses on instruction to be provided. The Committee will also cooperate with the school authorities in coordinating the related classroom instruction with the apprentice's basic schedule of work experience.
  - (6) To offer constructive suggestions for improvement of training on the job.
  - (7) To certify the names of graduate apprentices in accordance with Article. 17. No certificates will be issued unless approved by the Committee.

(8) The Company will see to it that the minutes of Committee meetings will be furnished to and approved by the Joint Apprenticeship Committee.

(9) In general, to be responsible for the successful operation of the apprenticeship standards in the plant and the successful completion of the apprenticeship by the apprentices under these standards.

### **ARTICLE 13 - CO-ORDINATION OF APPRENTICES**

Apprentices shall be under the general direction of the Apprentice Co-ordinator and under the immediate direction of the Supervisor of the department while working with a Journeyman/Journeywoman to whom assigned. The Apprentice Co-ordinator is authorized to move apprentices from one department to another in accordance with the predetermined schedule of work training. No apprentice may be retained on a scheduled work process for the period longer than the time scheduled for such work process unless permission is granted in writing by the Committee.

The Apprentice Co-ordinator, or an individual charged with this responsibility, in consultation with the Joint Committee, shall prepare adequate record forms to be filled in by the Supervisor under whom the apprentices receive instruction and experience. Supervisors shall make a report at least every thirty days to the Apprentice Co-ordinator on the work and progress of the apprentices under their supervision. These reports shall be submitted to the Joint Committee for its approval or disapproval.

If the Apprentice Co-ordinator finds that an apprentice shows lack of interest or does not have the ability to become a competent tradesperson, he/she shall place all the facts in the case before the Joint Committee for its decision. Under these circumstances an apprentice may be permitted to continue in probationary status, required to repeat a specific process or series of processes, or his/her Agreement may be terminated. The Registration Agencies and the Union shall be advised of all terminations and the reasons therefore.

### **ARTICLE 14 - CONSULTANTS**

The Committee may request interested agencies or organizations to designate a representative to serve as consultant. Consultants will be asked to participate without vote in conference on special problems related to apprentice training which affects the agencies they represent. This provision shall not be construed to compel any changes in these standards.

Should any dispute arise which cannot be satisfactorily settled within the Committee, either party may ask the Registration Agency to consider the matter.

## **ARTICLE 15 - SENIORITY**

When two or more apprenticeships are started at the same time, seniority will be by alphabetical order of surnames (A-Z) and layoffs will be by reverse order of same (Z-A) except as defined in clause 15.04 (B).

Upon satisfactory completion of the Apprenticeship Program, the apprentice will be given 100% of time on course seniority in the plant or Company where the apprenticeship is completed as a Journeyman/Journeywoman.

## **ARTICLE 16 - APPRENTICESHIP AGREEMENT**

Every Apprenticeship Agreement entered into under these apprenticeship standards shall contain a clause making the standards part of the Agreement, with the same effect as if expressly written therein. For this reason, every applicant (and his/her parent or guardian if he/she is a minor) shall be given the opportunity to read the standards before he/she signs his/her Apprenticeship Agreement.

The following shall receive copies of the Apprenticeship Agreement:

- (1) The apprentice
- (2) The Company
- (3) The Joint Apprenticeship Committee
- (4) Registration Agencies
- (5) The Local Union

## **ARTICLE 17 - CERTIFICATE OF COMPLETION OF APPRENTICESHIP**

Upon completion of the apprenticeship under these apprenticeship standards, the Joint Apprenticeship Committee will request the Industrial Training Branch of the Ontario Department of Labour that a certificate signifying completion of the apprenticeship be issued to the apprentice. No certificates will be issued by the Industrial Training Branch of the Ontario Department of Labour unless approved by the Joint Apprenticeship Committee.

Upon receiving the certificate, the Chairperson and Secretary of the Joint Committee will sign the certificate before issuing it to the graduate.

## **ARTICLE 18 - MODIFICATION OF STANDARDS**

These apprenticeship standards may be amended or new schedules added at any time upon agreement of the Joint Apprenticeship Committee.

**ARTICLE 19 - TOOL ALLOWANCE**

Tool Allowance shall be paid as contained in Article 15.25 of the Collective Agreement.

**ARTICLE 20 - APPROVAL**

These standards or any changes or amendments to these standards will be submitted to the National Skilled Trades Department of the C.A.W. for approval before becoming effective.

**APPENDIX 1**

Schedule of Work Processes for Machine Repairer Apprentice

Tool Crib.....	100 Hrs.
Shaper, Planer or Slotter .....	900 Hrs.
Engine Lathe .....	900 Hrs.
Milling Machine .....	900 Hrs.
Grinding .....	900 Hrs.
Optional .....	500 Hrs.
Bench and Floor .....	2828 Hrs.
Hydraulics .....	300 Hrs.
Related Instructions .....	<u>672 Hrs.</u>

TOTAL 8000 Hrs.

**APPENDIX 2**

Schedule of Related Instruction for Machine Repairer Apprentice

First Year

Use, Care & Reading of Tools .....	20 Hrs.
Shop Arithmetic .....	20 Hrs.
Algebra .....	20 Hrs.
Machine Tool Operation Theory .....	44 Hrs.
Blueprint Reading .....	44 Hrs.
Safety Instructions .....	<u>20 Hrs.</u>

TOTAL 168 Hrs.

Second Year

Shop Geometry .....	24 Hrs.
Hand Book .....	52 Hrs.
Fundamental Shop Drawing .....	52 Hrs.
Technical English .....	20 Hrs.
Elementary Physics .....	<u>20 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

Third Year

Shop Mathematics .....	60 Hrs.
Welding Theory .....	16 Hrs.
Machine Design .....	60 Hrs.
Heat Treat Theory .....	20 Hrs.
Social Economics .....	<u>12 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

Fourth Year

Shop Mathematics (Including Trigonometry) .....	60 Hrs.
Welding Theory .....	16 Hrs.
Machine Design .....	60 Hrs.
Strength of Materials .....	20 Hrs.
Social Economics .....	<u>12 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

**APPENDIX 3**

Schedule of Work Processes for Electrician M/C

Electrical Construction

Safety Instructions; bend and install conduit and other wiring .....	550 Hrs.
Run Wire and make hook-ups .....	550 Hrs.
Install lighting & power circuits .....	40 Hrs.
Install power & control equipment .....	500 Hrs.
Connect motors & generators .....	80 Hrs.
Layout job from blueprint and select material ..	80 Hrs.

## General Maintenance

Safety Instructions; check lights, electrical equipment, machinery & lubrication .....	240 Hrs.
Diagnose trouble in lighting & power circuits ..	60 Hrs.
Locating cabinets, distribution boxes .....	40 Hrs.
Periodically check & repair electrical equipment	640 Hrs.
Adjust and repair welders .....	120 Hrs.

## Cranes and Elevators

Safety Instructions; check, repair and adjust limit switches & safety devices .....	240 Hrs.
Locating & repairing faulty electrical equipment	260 Hrs.

## Electrical Equipment

Safety Instructions; motor repair, AC & DC; test block .....	400 Hrs.
Electronics controls .....	828 Hrs.
A & S Winding .....	100 Hrs.
Controller repair; AC & DC starters .....	300 Hrs.
Heating appliances .....	300 Hrs.
Building & repairing transformers and welders & electronic controls .....	400 Hrs.
Meter repairs .....	40 Hrs.
Drill repairs .....	200 Hrs.
Winding coils, AC & DC; reading voltage drops on coils .....	120 Hrs.

## Sub-station Construction

Safety Instruction; heavy cable installation, layout and install heavy conduit & duct .	70 Hrs.
Install master distribution cabinets .....	40 Hrs.
Lugging, rubber covered cable splicing, lead cable splicing, installation of pot heads	200 Hrs.
Connect cable in master distribution cabinets ..	40 Hrs.
General lineperson work .....	40 Hrs.
Wiring busways & bus .....	100 Hrs.
Wiring switchboards & switch gears .....	100 Hrs.
Wiring transformers, motors & generators .....	65 Hrs.

Maintenance of Sub-stations

Connect instrument transformers, meters and relays .....	80 Hrs.
Check and test circuits .....	65 Hrs.
Safety Instruction, servicing of main & auxiliary circuits .....	120 Hrs.
Servicing of equipment .....	80 Hrs.
Adjusting of the timing of relays .....	40 Hrs.
Testing & reconditioning of the transformers and oil switches; coolants for transformers & switches .....	80 Hrs.
Testing of all circuits .....	120 Hrs.
Related instructions .....	672 Hrs.
<b>GRAND TOTAL</b>	<b><u>8000 Hrs.</u></b>

**APPENDIX 4**

Schedule of Related Instruction for Industrial Electrical Apprentices

First Year

Shop Arithmetic and Algebra .....	20 Hrs.
DC Fundamentals, electroplating, batteries and mechanics .....	30 Hrs.
Wiring, magnetism and armature winding .....	32 Hrs.
Generators and motors .....	35 Hrs.
DC controllers and cranes .....	35 Hrs.
Blueprint reading and drawing .....	8 Hrs.
Social economics .....	<u>8 Hrs.</u>
<b>TOTAL</b>	<b><u>168 Hrs.</u></b>

Second Year

Shop geometry, trigonometry and vectors .....	52 Hrs.
AC fundamentals & AC circuits .....	54 Hrs.
Transformers, polyphase systems and alternators .	54 Hrs.
Social economics .....	<u>8 Hrs.</u>
<b>TOTAL</b>	<b><u>168 Hrs.</u></b>



Third Year

Single and multi-speed AC motors & stator winding .....	52 Hrs.
AC controllers & press controls .....	54 Hrs.
Instruments, relays, reactors & lightening arrestors .....	54 Hrs.
Social economics .....	<u>8 Hrs.</u>

TOTAL 168 Hrs.

Fourth Year

Industrial electronics & control welding .....	56 Hrs.
Blueprint reading and drawing .....	56 Hrs.
National electrical code .....	<u>56 Hrs.</u>

TOTAL 168 Hrs.

Electronic Control Course (if available)

**APPENDIX 5**

Schedule of Work Processes for Tool and Diemaker Apprentices

Tool Crib .....	100 Hrs.
Shaper, Planer and Slotter .....	950 Hrs.
Lathe .....	1000 Hrs.
Milling Machine .....	1000 Hrs.
Grinding (Surface, Internal, External) .....	1000 Hrs.
Bench .....	2778 Hrs.
Optional (Lucas, Pratt & Whitney Boring Machine, Hardening) .....	500 Hrs.
Related Instructions .....	<u>672 Hrs.</u>

TOTAL 8000 Hrs.

## APPENDIX 6

### Schedule of Related Instruction for Tool and Diemaker Apprentices

#### First Year

Use, Care & Reading of Tools .....	20 Hrs.
Shop Arithmetic .....	20 Hrs.
Algebra .....	20 Hrs.
Machine Tool Operation Theory .....	44 Hrs.
Blueprint Reading .....	44 Hrs.
Safety .....	<u>20 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

#### Second Year

Shop Geometry .....	24 Hrs.
Hand Book .....	52 Hrs.
Fundamental Shop Drawing .....	52 Hrs.
Technical English .....	20 Hrs.
Elementary Physics .....	<u>20 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

#### Third Year

Shop Mathematics .....	60 Hrs.
Welding Theory .....	16 Hrs.
Tool and Die Design .....	60 Hrs.
Heat Treat Theory .....	20 Hrs.
Elementary Physics .....	<u>12 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

#### Fourth Year

Shop Mathematics (Including Trigonometry) .....	60 Hrs.
Welding Theory .....	16 Hrs.
Tool and Die Design .....	60 Hrs.
Strength of Materials .....	20 Hrs.
Social Economics .....	<u>12 Hrs.</u>
TOTAL	<u>168 Hrs.</u>

## **APPENDIX "E"**

This is Appendix "E" referred to in Article 20 and forming part of this Agreement, made between Lear Corporation, Kitchener Plant and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1524, dated this **10th** day of **November, 2006**.

### LETTERS

Agreed to by

LEAR CORPORATION

KITCHENER PLANT

And the

NATIONAL AUTOMOBILE, AEROSPACE,

TRANSPORTATION AND GENERAL WORKERS

UNION OF CANADA (CAW - CANADA)

And its

LOCAL UNION NO. 1524

### **#1 – Local Union Time Study Representative**

It is understood and agreed that the services to provide a Local Union Time Study Representative will continue during the term of this Agreement as follows:

- (1)** Said representative will be paid by the Company for the time which it is necessary for him/her to lose from his/her regular duties, in order to attend Time Study Training Courses jointly approved by the Company and the Union.

Fees for such approved time study courses and the expenses relating thereto will be borne equally by the Company and the Union.

- (2) The Local Union Time Study Representative must be able to successfully complete a basic grade ten (10) mathematics test or have previous time study experience as to his/her ability to successfully perform the time study job prior to his/her appointment. Upon his/her appointment the Company will then initiate a training program for the said Local Union Time Study Representative.
- (3) When necessary, the Local Union Time Study Representative shall have access to such Company time study records that are required in the performance of such duties.
- (4) The said Representative shall have preferred Bargaining Unit seniority during his/her term of office.
- (5) The Company and the Union agree that the said Representative will remain an active member of the Bargaining Unit and that neither party will in any way induce or coerce him/her to leave the Bargaining Unit or the Company as long as he/she retains his/her position as the Local Union Time Study Representative.
- (6) At the request of the Union to the Supervisor Industrial Engineering, the Local Union Time Study Representative will be excused from his/her regular duties to investigate and study standard grievances, attend meetings that involve violation of incentive standards and attend time study training courses.

## **#2 – Union Representation time Off-the-Job**

It is the intent of the Union to use the allotted hours per representative in the Agreement on the basis of working to the minimum and only when necessary using the maximum time allotted. The Union agrees to co-operate with the Company in the correction of any abuses of lost time for Union activity.

## **#3 - Sub-Contracting Non-Skilled**

It is the intent of the Company for the duration of this Agreement, that work normally and historically performed by Bargaining Unit employees will not be performed by outside contractors, if it has the workforce, skills, equipment and facilities to do such work.

No Bargaining Unit employees with the present skill and ability shall be on layoff while work belonging to the Company is being performed by outside contractors, providing such work can be competitively performed by such employees.

The Company agrees there shall be meaningful discussion between the Company and the Union prior to any job being sub-contracted out.

During the current negotiations, the parties discussed sub-contracting and its impact of the Union's members and the parties agree that discussions and reviews regarding such matters can bring into sharper focus, in specific instances, factors which can impact such decisions and provide the opportunity for meaningful Union input before such decisions are made.

It is recognized such decisions are dependant upon the Company's ability to be cost competitive, technologically competent, and upon the degree to which the Company's resources can be allocated to further capital expenditures which might be required.

Accordingly, the Company will meet with the Plant Committee to provide a means of regularly addressing mutual concerns which pertain to sub-contracting decisions and their potential impact upon the work force.

It is understood that discussions regarding sub-contracting may involve information which must be kept confidential until the Company consents to its release.

#### **#4 – Dept. # 39**

In emergency overtime situations where work would not exceed one (1) hour and employees who normally perform the job are not available, the Company will assign another employee as per Clause 9.07.

In cases where the Company was aware of the situation prior to the conclusion of an employee's shift and the assignment occurs within one (1) hour after the conclusion of the shift this letter shall not apply.

#### **#5 – Employee Assistance**

The Company and the Union recognize that there are individual and family problems that can be successfully treated when properly identified and referred to a professional counselor. This is true when the problem is one of physical illness, mental or family distress, alcoholism, drug abuse or other concerns.

The Company and the Union recognize the disease of alcoholism or drug addiction as a treatable behavioral /medical illness. Substance abuse affects the family, fellow workers and the Company's operation.

This in no way negates the Company's right to discipline nor the Union's right to the grievance procedure.

- Section 1     The Company recognizes the importance of a continuous co-operative effort between its' management, Union Representatives and its' members in this regard. It is appropriate for the Company and the Union to review and discuss these problems from time to time, with a view to providing assistance to addicted employees, consistent with these employees attitudes towards their problems.
- Section 2     The recognized W.S.I.B./E.A.P. Representative will be permitted a reasonable amount of time with pay during his/her regularly scheduled shift to provide necessary assistance to employees in accordance with article 6.16 (e)
- Section 3     The W.S.I.B./E.A.P. representative will ensure confidentiality of employees using the program.
- Section 4     The Company will provide normal group insurance benefits or such other provider services the employee and/or family member may be eligible for while under a medically prescribed course of treatment.

#### **#6 – Employee Involvement In Court Proceedings**

It is agreed that an employee charged in a court of law either under the criminal code or otherwise will be permitted to continue working pending the outcome of the trial unless the charge is related to his/her employment with the Company, in which case the normal procedure outlined in Article 8 may be applied.

The Company will endeavor to assist any employee detained as the result of a conviction of a minor offense under the criminal code and Highway Traffic Violations in an effort to obtain an arrangement that will allow the employee to work while detained.

#### **#7 - Physician Fees**

The Company will not pay for physicians fees for completion of the initial U.I.C. or Insurance carrier medical forms.

Any additional medical evidence after the first submission, being requested by the Company or the Carrier, will be paid by the Company, provided that the initial claim form has been completed as required. If the employee cannot meet the return to work date or there is no return date specified, as indicated on the disability form, any request for additional medical evidence will be paid by the employee.

The Company agrees to pay for the completion of Lear W.S.I.B. claim related forms when required.

### **# 8 – Metric Tools**

The Company will make available necessary metric tools and calibrated measuring instruments to Skilled Trades employees when required in the performance of their work. Such tools will be available in the tool crib and charged out to Skilled Trades employees when they have need for them.

### **# 9 – Small Tool Repair**

Employees who have received proper training and tools will be required to do some small tool repair.

MIG Welders - Changing cables and barrels of wire as required. A pre-determined time standard will be established for these activities and the set-up rate will be paid for such time.

- Changing diffusers, nozzles and tips will be incorporated into the work standard as per Article 13.02 or 14.02.

Table/Gun Welders - The replacement of points (as needed) will be incorporated into the work standard as per Article 13.02 or 14.02.

Operators - - Changing diffusers, nozzles and tips on robotic welding cells will be incorporated into the work standard as per Article 13.02 or 14.02

### **#10 – Able To Perform**

Able to perform is interpreted to mean the employee's ability to perform the duties of his/her position after proper training and trial period. Normal performance would include the employee's physical ability to meet standards of production, quality and quantity generally accepted as adequate for employees in other like jobs.

**(A)** The Company shall explain the job(s) available as per this Letter at the time the employee is notified of layoff.

**(B)** They will be explained the requirements normally expected of the job.

**(C)** They will be given the normal training and trial period and will be subject to the same conditions expected of all employees.

**(D)** If the employee is unable to perform the job following the trial period or if the employee refuses the option it will not be construed as cause for disqualification under the S.U.B. program.

**(E)** Employees placed on layoff under this letter because of physical limitations will have access to the opposite work group bump as defined in clause 9.20 (E) provided they make their intention to bump known at the time of layoff.

## **# 11 – Job Ownership**

The Company will utilize an employee's experience on the job(s) he/she normally performs by keeping such employee(s) on such job(s) while it is able to run on his/her shift. When overtime is scheduled, the employee working the overtime will not circumvent the seniority rights of any employee working his/her regular shift .

If an employee is late and his/her job has been assigned to another employee before he/she arrives or if an employee has scheduled a 4 hour increment of paid vacation at the start of his/her shift, he/she will be required to accept the job assigned him/her within his/her classification within the department, seniority permitting, for that shift. Assignment to his/her job will be made if needed and if the accommodation is not disruptive.

**(a)** Prior to the beginning of the shift, employees who are not required to work on their job ownership or who maintain classification rights only will be assigned to work on available jobs within the classification and this will be their normal job for the shift. When there are excess employees within the classification prior to the beginning of the shift, the low seniority employees will be removed from the classification and will be offered available work by seniority.

**(b)** In an instance where an employee with restrictions will not be working on his/her normal job, he/she will be assigned available work inside or outside of his/her classification that is within his/her restrictions.



**(c)** When there is a lack of work in an employee's normal job during the shift due to production scheduling, machine breakdown or lack of parts, the employee(s) will be assigned available work within the classification and department. If there is insufficient available work within the classification within the department, the affected employee(s) may displace the junior employee in the classification within the department, seniority permitting, or accept any other work available. When more than one (1) employee is being assigned at the same time, employees will be given the choice of available jobs by seniority.

**(d)** As per (c) above, an employee(s) who accepts available work outside of his/her classification will forfeit his/her classification rights within the department for the balance of his/her shift and he/she must accept any other available work to which he/she is assigned. If work becomes available in his/her classification within the department, employees will be returned according to the inverse order of their seniority.

As per (a) above, if work becomes available within the classification and department, employees will be returned to the classification by seniority and assigned such work.

**(e)** Employees transferred under all sections above will be paid the rate of the job to which he/she is assigned.

**(f)** The Company will assign work by seniority when more than one (1) employee has claim to a particular job. It is not the intent of the Company to circumvent the senior employees job ownership rights. Production will be scheduled to ensure senior employee(s) with job ownership have the work, except in emergency situation(s), machine breakdown, planned equipment maintenance, build ahead for product change or where unexpected increase(s)/decrease(s) in customer requirements have been a factor. The Union will be informed of such emergency situations, machine breakdown planned equipment maintenance, build ahead for product change or of increase(s)/decrease(s) with validation supporting the movement of employees as soon as possible. When there is a decrease in customer requirement (validated) during the last half of the shift and the senior shift is operating, they will be allowed to finish the shift on their normal job. Any abuse of this Clause will result in payment of average earnings to the affected employee and the affected employee is expected to produce at a minimum of **220%** during these periods.

**(g)** In order to maximize our workers time on their own jobs the Company and Union agree to meet on as frequent basis as may be necessary to review the production requirements and through discussion provide the work to the most senior workers whenever possible. The parties agree to recognize individual seniority on the shift when there is a shortage of work within a cell where there are individual work stations.

**(h)** When a job consists of two or more operators, on the same shift, the employees involved on such job, shall equally rotate within the job unless otherwise mutually agreed upon.

**(i)** The Company and the Union, in certain situations, may have to establish working policies concerning work station rights.

**(j)** Movement of Employees on Different Shift Rotations

When there is a lack of work within a classification during the shift, employees will be given the option to available work in or out of the classification as follows:

1. Where no job ownership exists or the employees job ownership is not running, employees on a three-shift rotation will have the choice of jobs within their classification on jobs running on a three-shift rotation.
2. Similarly, employees working on a two-shift rotation will have a choice of jobs within their classification on jobs running on two-shift rotation.
3. Open work stations will not be defined as belonging to either shift and will be offered by seniority
4. Should an employee on a three shift rotation not have sufficient seniority to displace a three shift operator in his/her classification, then prior to leaving the classification, he/she may exercise his/her seniority over the junior employee on a two shift operation, seniority permitting. If that bump is into a group operation, the employee bumping in must accommodate the employees in that group for break periods. The same shall apply for an operator on a two-shift rotation bumping into a group on a three shift rotation.

## **#12 – Statutory Holiday Pay**

An employee leaving work, without proper authorization, on the day before or the day after a statutory holiday will subject himself/herself to disciplinary action and forfeiture of holiday pay.

## **#13 – Set-Up Welder**

The set-up person will perform the following work as a part of his/her regular job duties.

1. Change cables unless complications, change air hoses, and water hoses, change shunts, unless corroded or burned, seal off valves, and change water nipples, and air nipples unless easy-out or drill and re-tapping required.
2. Repair to gun welders, change guns and gun parts unless complications.
3. Remove, dress and reinstall points, electrodes and dies.
4. Set rheostats and control, timing and heat penetration.
5. Adjust point holders and change over jigs.
6. Remove or adjust stops on automatic jigs when changing over.
7. Adjust feeder and heat controls on automatic MIG equipment.
8. Replace spools (except barrels) of wire and gas tanks on MIG.
9. Adjust butt, spots, automatic Welders unless complications
10. Turn on or off power, water and air at the start and stop of shift and when welding machines are idle.
11. Make frequent checks to ensure efficient operations.
12. Perform machine try-out and verify results, (including weld teardowns and fixture checks when a quality auditor is not available).
13. Clean off weld splatter from weld surface on automatic welders and to jigs in conjunction with jig maker.
14. Apply splatter preventative to welding surface on automatic welders and to jigs in conjunction with jig maker.
15. Perform all other set-up and adjustments to machines and tools that is normally considered set-up person's work.

### **Set-Up Press**

The set-up person will perform the following work as part of his/her regular job duties:

1. Replace stripper bolts, springs and dowels when the die does not have to be taken to the tool room unless complications.

2. Replace die sets or sections within a multiple die set-up that are pre-located by dowels and hold down bolts.
3. Set-up all wales units and wire dies including the changing of unit sections which are pre-located and do not require precision alignment.
4. Set-up, adjust and check all safety equipment.
5. Set-up and adjust all gauges and guides to specifications.
6. Clean out slugs in female sections of the die which does not require removal of the integral sections of the die which would require precision re-alignment.
7. Clean out slugs between air cushion and bolster plate.
8. Perform sample die try-out.
9. Perform all other set-up and adjustments to machines and tools that is normally considered set-up person's work including shimming required.
10. Sign press log book.

#### **#14 – Leaves of Absence**

The Company will continue its present practice of granting all leaves of absence for compassionate reasons and one new business venture during the term of the Collective Agreement. The seniority of an employee on a business leave will not accumulate and benefits will immediately cease during the period of the leave. Business leaves will only be considered for employees with at least 5 years seniority.

The Company will make every effort to grant personal leaves of absence provided it is feasible, based on sufficient employees being available and production scheduling.

Any employee applying for a personal leave of absence will be informed whether it has been accepted or denied as soon as possible. The reasons for the denial will be explained on the Application for Personal Leave.

An employee returning to work from a business venture leave of absence shall have seniority rights only in the Bargaining Unit, except a Skilled Trades employee who will have seniority rights to his/her former classification.

## **#15 – Advance Payments Against Future E.I., Compensation and Insurance Carrier Disability Benefits**

- 1.** The Company will advance \$520.00 to an employee for each week that he/she is entitled to a E.I.. or Insurance Carrier Disability Benefit payment, until he/she has received his/her initial E.I.. or Insurance Carrier Benefit cheque, beginning with the second Friday following the last Company pay cheque. A partial advance will be paid on request, should the last Company pay-cheque not equal the amount of the advance.
- 2.** The Company will advance \$520.00 per week to an employee who is claiming Workplace Safety & Insurance Board benefits. An eligible employee may receive an advance the week following receipt of his/her last pay cheque provided he/she submits the appropriate E.I. and Insurance Carrier Disability Benefit application forms and he/she applies in writing to the Personnel Department by Tuesday of that same week that he/she is requesting an advance. He/she will continue to receive an advance each week until the earlier of the employees return to work or the receipt of his/her initial E.I, Insurance Carrier or Workplace Safety & Insurance Board cheque.
- 3.** If after the employee has received his/her initial E.I., Insurance Carrier or Workplace Safety & Insurance Board cheque(s) he/she experiences a delay in receiving any subsequent E.I., Insurance Carrier or Workplace Safety & Insurance Board cheque(s) for a period of more than seven (7) days beyond the date such benefit is normally received and the delay is not due to his/her own negligence, the Company will advance \$520.00 to the employee, on his/her request, for each week such delay continues, provided that each week for which the advance is given is a week for which the employee is entitled to receive a E.I., Insurance Carrier or Workers' Compensation benefit cheque.
- 4.** Repayment of E.I., Insurance Carrier or Workplace Safety & Insurance Board advances may be made by any one of the following:
  - (A)** Cash or personal cheque;
  - (B)** Sign over E.I., Insurance Carrier or Workplace Safety & Insurance Board cheque(s) to the Company.

When a decision has been received that the employee's claim is not eligible for E.I. or W.S.I.B. benefits, the insurance carrier will determine whether the employee is eligible for Weekly Indemnity benefits. If the claim is determined to be eligible, the employee will continue to be eligible for benefits. If the claim is not eligible, benefits will cease immediately and the employee becomes responsible for repayment of any monies received.

If the advance is not repaid within two weeks of receipt of E.I., Insurance Carrier or Workplace Safety & Insurance Board cheque, or from the date of the notification which disqualified the employee from receiving benefits, the Company may deduct the outstanding amount from any monies owed to the employee including accrued vacation pay and/or up to a maximum of \$180.00 for each weeks wages or by any other means deemed necessary. Failing the Company's ability to recover these monies through payroll deductions, as is the case with inactive employees, the employee(s) will be required to make arrangements to repay any monies owing.

5. At the time of application for each disability benefit the employee will be required to sign an agreement to repay the advance(s) as outlined in (4) above. No advances will be given to an employee who refuses to sign such an agreement.

### **#16 – New Technology**

The subject of new technology was introduced during the 1982 negotiations and the need for continued training of necessary employees including the Skilled Trades work force.

In response to the concerns expressed, it was agreed to establish a committee, comprised of three (3) representatives from the Company and three (3) representatives from the Union.

The committee will decide on the frequency of meetings necessary.

The Company will ensure there are management personnel on the committee who are thoroughly conversant with technological plans.

Sufficient advance notice will be given on the contemplated changes in order for the committee to have adequate time for discussion regarding training plans for the necessary work force.

The New Technology Committee will review training needs and research training opportunities to meet identified needs through internal and external programs and/or training that may be delivered by internal trainers. The New Technology Committee's recommendations will be forwarded to management and to the Bargaining Committee for consideration.

### **#17 - Joint Anti-Harassment Policy**

During the current negotiations, the parties discussed Human Rights issues in the workplace. The parties have committed to implementing the procedure for the benefit of Lear Corporation Canada Ltd. (Kitchener) employees in Kitchener.

In addition, the parties agreed to outline the procedure within the context of this Appendix.

Lear Corporation Canada Ltd. (Kitchener) and the CAW and its local 1524 are committed to providing a harassment free workplace. Providing fair and equitable treatment for all employees is best achieved in an environment where all individuals interact with mutual respect for each other's rights.

### WORKPLACE HARASSMENT/POLICY AND THE PROCEDURE DEFINED

Every employee has the right to work in an environment free of harassment. The right includes the responsibility to eliminate harassment in our workplace, either as a participant or as an observer.

The policy and procedure outlines the commitment of Lear Corporation Kitchener and the CAW and its Local 1524 to ensure a harassment free workplace as required under applicable Human Rights Legislation and will act as a guide to employees in adhering to legal and social guidelines regarding the recognition and prevention of harassment.

This policy exists to underline the seriousness of workplace harassment and to establish that there is no acceptable level of harassment at Lear Corporation Canada Ltd. (Kitchener) Employees who feel that they are being harassed are encouraged to seek protection under this policy.

### WORKPLACE HARASSMENT DEFINED

Harassment is defined as a "course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome", that denies individual dignity and respect on the basis of the grounds such as: gender, disability, race, colour, sexual orientation or other grounds prohibited by applicable human rights laws. At Lear Corporation Canada Ltd. (Kitchener) all employees are expected to treat others with courtesy and consideration and to discourage harassment.

The workplace is defined as all company facilities and premises.

Workplace harassment includes, but is not limited to, the following examples:

- Unwelcome remarks, jokes, innuendoes or taunting about another's body, attire, gender, disability, racial or ethnic background, sexual orientation, etc., which cause awkwardness or embarrassment.
- Displaying visuals of a sexual, racial or otherwise offensive nature such as pornographic pictures, posters, cartoons, graffiti or simulation of body parts.
- Leering (suggestive staring) or other gestures.
- Unnecessary physical contact such as touching, patting or pinching.

- Unwanted sexual solicitation, physical contact or advances, particularly made with implied reprisals, if rejected.
- Refusing to work or share facilities with another employee because of the other's gender, disability, sexual orientation, racial, religious or ethnic background.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation.

### OBLIGATION OF EMPLOYEES

Employees are obligated to bring any complaint of harassment to the attention of the Human Rights representative for the company or the union as soon as possible. If the company / union is not made aware of any issues of harassment, they may be unable to address such issues.

### WHAT HARASSMENT IS NOT

Properly discharged supervisory responsibilities including disciplinary action, or conduct that does not interfere with a climate of understanding and respect for the dignity and worth of Lear Corporation Ltd. employees are not considered harassment. Neither is this policy meant to inhibit free speech or interfere with the normal social relations that are a part of life in Lear Corporation Canada Ltd. (Kitchener)

### FILING A COMPLAINT

If an employee believes that he/she has been harassed on the basis of any of the grounds stated above, that employee should:

- Tell the alleged harasser(s) to stop, if possible;
- Document the event(s), complete with the time, date, location, names of witnesses and details of each event, if possible.
- If the harassed employee does not feel able to approach the alleged harasser(s) directly, or if, after being told to stop, the alleged harasser continues, the harassed employee should:
- Lodge a complaint either directly through a person on his/her behalf with any company or union representative.



## INVESTIGATION

In minor cases, the company and union agree that the union and the company may try to resolve a harassment complaint informally using the Internal Procedure without a full investigation when so requested by the complainant. All cases of harassment will be handled by the Human Rights representative for the union or the company. The outcome of this attempted resolution will be communicated to both the union and the company. If the complainant disagrees with the attempted resolution, or if the complaint involves more than minor issues there will be a joint investigation of the complaint according to established methods. Once informed of a complaint requiring joint investigation, the Human Rights representative will immediately inform his/her counterpart and together these two will conduct a thorough joint investigation according to established methods. Where the complainant is a woman and the complaint involves sexual harassment or gender discrimination, the joint investigation team will include at least one woman.

The joint investigation will include an interview of the complainant and may include interviewing the alleged harasser, witnesses and other persons named in the complaint. It is the intention of the union and the company that, in most cases, the investigation will take place within five (5) days and shall be concluded fifteen (15) days of the lodging of the complaint. An extension to the time limits may be granted by mutual agreements.

The interview timing and location will recognize the need to maintain confidentiality. The identity of the complainant, the alleged harasser(s), and the nature of the complaint will be kept confidential and only persons with a need to know will be informed of the complaint. Records of the investigation, including interviews, evidence and recommendations will be securely maintained in the offices of the Company Human Rights representative and the Union Human Rights representative.

## RESOLUTION

Upon completion of their joint investigation, the investigators will present their report to the Manager of Human Resources and unit chairperson. The company agrees that 10 days after receiving the joint investigation report, the harassment complaint will be resolved.

Violation of this policy may lead to discipline up to including termination.

The purpose of this Policy and Procedure is to allow the CAW and Lear Corporation Canada Ltd. the opportunity to address and resolve internal problems related to the objective of achieving a harassment free workplace. This Policy and Procedure in no way precludes the complainant's right to seek action under the applicable Human Rights legislation.

The parties also agree to communicate this information about the Procedure to the workforce through local union newsletters, bulletin board notices and company publications.

### **VIOLENCE AGAINST WOMEN**

During the current negotiations the parties discussed the concern that women sometimes face the situations of violence or abuse in their personal life that may affect their attendance or performance at work. The parties agree that when there is adequate verification from a recognized professional (i.e. doctor, lawyer, professional counselor), a woman who is in an abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the Company, the Union and affected employees, and will not be utilized by the Union or employees to subvert the application of otherwise appropriate disciplinary measures.

### **WOMEN'S ADVOCATE**

As a result of discussions during the current negotiations, the parties recognize that female employees may sometimes need to discuss with another woman matters such as violence or abuse at home, workplace harassment or other such personal issues. They may also need to find out about specialized resources in the community such as counselors or women's shelters to assist them in dealing with these and other issues.

For this reason the parties agree to recognize the role of women's advocate in the work place. The trained, appointed female advocate representative will meet with female members as required, discuss problems with them and refer them to the appropriate community agency when necessary.

The Woman's Advocate representative will participate in an annual training program. The Company will be responsible for wages. The Union will be responsible for per diem expenses.

A minute of silence will be observed in memory of women who have died due to acts of violence. The moment of silence will be observed each year on December 6 at 11 am. Should December 6 fall on a non-production day, the moment of silence will be observed on a day mutually agreed upon with the intent of having the least impact on plant operations. Flags will be flown at half staff to mark this occasion.

## **#18 - New Program Launch**

In order to stabilize our work force and optimize our success on new product launches, the parties agree to the following procedure:

- The Company and Union will agree on the placement of any new product to a separate department and will simultaneously agree to attach this temporary department (launch department) to an existing department for the purpose of job posting, overtime and indirect support during the start up period
- The Company will post the required positions for the launch department to employees in the 'attached' department first and then in accordance with Article 9.08.
- To expedite the training of employees in the launch department, the Company may permit eligible employees posting into this launch department to complete their trial period and then be returned to their home department pending the ramp up of production. This will enable the Company to pre-qualify the required number of employees in advance.
- Employees accepted on this job posting will not be permitted to post to another area for a period of 6 months from the date of their full time transfer into the launch department unless mutually agreed otherwise
- Overtime will be distributed to those employees who are within the launch department first. If additional employees are required, the Company will distribute this overtime in accordance with Article 11.10 to the 'attached' department.

Upon conclusion of the launch, the parties will determine whether the launch department will be combined with the attached department or whether this newly created department will remain as a separate department.

## **#19 – Labour Standards**

It is the objective of the Company to establish and maintain fair and equitable labour standards for all manufacturing operations. Total reliance on the stop watch for work measurement makes it difficult to achieve this objective. Also, in order that the Company can be assured that the output of new tools and equipment will satisfy customer delivery and cost requirements, determining labour standards before installation has become essential.

To support the above objectives and needs, the Company and Union agree to co-operate to establish the use of predetermined time standards. To facilitate this change a Union/Management implementation team will be formed, comprised of the Union Time Study Representative, (2) Union Representatives to be selected by the

Union, one (1) non-incentive employee, one (1) Production Supervisor and one (1) member of the Industrial Engineering Department.

The goal of this program is to adopt the use of a mutually agreed upon system of predetermining time standards on all new operations when practicable.

The Company agrees to assume the cost of all orientation and training costs associated with the transition.

#### **#20 – Repayment of Unemployment Insurance Disability Insurance Benefits**

An employee that received an Unemployment Insurance Disability Benefit, and such employee is required to repay a portion of such benefit to Revenue Canada.

The Company agrees to reimburse the employee the portion that had to be repaid after taxable income is recalculated and known to the Company.

#### **#21 - Employees on a Modified Work Plan**

It is agreed that the Company may utilize employees who are on a modified work plan on jobs within the bargaining unit. Their restrictions will be on file in the medical centre and will be accessible to authorized personnel only and will be confidential. When utilizing employees under this letter, the parties agree that there will be meaningful discussion between the Company and Union. The parties agree employees will be placed only on open jobs other than jobs outlined in 9.07 (i) unless their seniority permits.

#### **#22 – Mig Welder Training**

The Company and the Union have mutually agreed to establish a MIG Welder Training Program. Employees successfully completing such training will be given preference on MIG welder openings over other employees except for other qualified MIG welders.

Openings for such training shall be filled by a combined departmental posting in those departments which employ MIG welders. The remaining positions, if any, will be filled by a Bargaining Unit posting.

The posting must indicate that successful trainees will receive preference for future MIG postings.

Future MIG vacancies will be filled through the normal job posting procedure. The departmental posting will be restricted to qualified MIG welders.

Any employee trained under a program implemented by the Company prior to October 28, 1987 will not be given preference on MIG welder openings until the Company implements a new training program.

### **#23 – Sub-Contracting Skilled**

The following procedure will be applied whenever the Company contemplates subcontracting work normally and historically performed by skilled trades employees:

1. Prior to any job being subcontracted out, the Company will determine the general nature and scope of the work that is being contemplated as well as the estimated trades and workforce involved, the approximate dates within which the work is to be performed and why the service of outside contractors is being contemplated at such time
2. The Company will provide the Union with a copy of the bid(s) presented from outside contractors which detail the requirements for such work. This may include the number of hours per trade required and the timing that such work is to be complete.
3. The Union will then have the opportunity to propose alternatives that demonstrate their ability to accomplish this work within the time limits prescribed while maintaining the normal maintenance requirements of the plant. Any alternative proposed must include a detailed plan to complete the work competitively and within the time limits and may not obligate the Company to increase their supervisory workload to accomplish this work.
4. In the event that the Union has proposed an acceptable alternative to perform the work in-house and the Company elects to sub-contract this work regardless, the Company will be obligated to offer an amount of overtime hours equal to that of the hours being subcontracted to the affected skilled trades classification.
5. If the Skilled Trades Representative takes on too much work and the work cannot be completed as per the agreement, then the Company may outsource such remaining work.
6. Available hours can be a maximum of 12 hours per day, seven days a week. In the event that the normal maintenance requirements to maintain the plant increases during a period where work was retained inside vs. outsourced, the work that cannot be completed within the agreed upon time frame will be re-evaluated by the parties in accordance with this letter.

## **#24 – Emergency Release Program**

1. An emergency release program will be in place within one (1) year of signing the agreement. This will include, at the Company's expense:

- (i) Training to all maintenance personnel to be able to fully participate in any emergency.
- (ii) A proper signaling system throughout the plant, audible to everyone in the plant.
- (iii) A proper tool cart containing all necessary equipment to perform the duties of the response team.
- (iv) Have an annual drill simulated as realistic as possible involving all members of the response team. The exercise will be observed and evaluated by all members of the Joint Health, Safety and Environment Committee.
- (v) Each release procedure, proven and tested to work, shall be posted on every machine or work station or area.
- (vi) The Joint Health, Safety and Environment Committee will be involved in the emergency release program.

## **#25 - Containers**

The Company will buy new containers or keep all present containers in good repair at all times. The Company will make every effort to ensure that the vendors understand the problems attendant with crates and co-operate in taking corrective action.

## **#26 – Consolidation of Department and Classifications**

During the course of negotiations, the Company discussed with the Union the consolidation of departments, the deletion of redundant classifications, and the combining of classifications.

The Company agrees that when contemplating such actions the Union will be notified and the matter discussed prior to such move. Consideration will be given to Union recommendations in facilitating such moves to minimize the impact or and disruption affecting employees.

## **#27 – Drug Testing**

During the 1990 negotiations, the Company and the Union had comprehensive discussions regarding the issue of employee substance abuse. In this regard, the parties agreed that the consumption of certain drugs and/or alcohol may impair an employee's health and endanger his/her safety, or that of fellow employees and the public at large. As worker health and safety are of paramount concern to the Company and the Union, the parties are committed to improving the well-being of employees and maintaining a safe workplace through the effective implementation of the Employee Assistance and Substance Abuse Program.

During these negotiations, the parties also discussed at length the issue of mandatory drug and alcohol testing the workplace. In recent years, this issue has been the subject of considerable public debate and a number of legal cases in various jurisdictions. The parties agreed that the debate and case law in this area is still evolving and it is yet unclear whether such testing will be unconditionally supported by the courts.

Some governments have also introduced mandatory drug and alcohol testing laws for specific job functions. These laws recognize the concerns of a number of these legislators regarding the adverse effects of substance abuse on families, the workplace and the general public.

The parties acknowledged that as a public gains a broader understanding of the costs and dangers associated with substance abuse, other governments may also introduce such laws and apply them more broadly.

Prior to any introduction of such legislation in Canada, the Company will not introduce drug testing into the workplace.

## **#28 – Skilled Trades Employment Levels**

Effective January 1, 2005, the Company agrees to maintain 10% of the total active plant population in skilled trades classifications. This percentage will be reduced by .2% for each skilled trades employee who retires thereafter until the earlier of a 1% reduction or January 1, 2006. Thereafter, the Company agrees to maintain 9% of the total active plant population in skilled trades classifications.

## **#29 – Tool Room Equipment**

The Company will maintain in good repair the tools and equipment necessary to support the need and operation of the tool room.

### **#30 – Arbitration Commissioner Style**

As an alternative to the regular arbitration procedure the parties shall have the option of mutually agreeing to refer a grievance to a grievance commissioner in the following manner:

The Company and the Union will meet to determine a person to act as an arbitrator, and he/she shall be known as a grievance commissioner.

The purpose of the grievance commissioner will be to settle grievances which the Company and the Union desire to be settled in a expeditious, effective, and summary manner. The Company and the Union will meet to determine which grievances shall be dealt with in this alternative method to arbitration and the facts of each individual grievance shall be agreed upon prior to the hearing(s).

The grievance commissioner's decision shall not constitute a precedent for present or future cases.

The commissioner's decision shall be consistent with the provisions of the agreement, and shall be confined to the grievance referred to him/her.

The Company and the Union shall equally share the expenses of such arbitrator(s) in accordance with the Collective Agreement.

The Company and the Union will each present their own case, using only the predetermined facts which were mutually agreed upon between the parties, otherwise the grievance(s) will be set aside to a future date.

The grievance commissioner shall render a decision based on the above facts presented by the parties. Such decision can be given at the time of the hearing, but no later than seven (7) days after the conclusion of the hearing. Either party can request a written decision, along with a brief explanation for such decision.

### **#31 – Seamless Shift - New Letter of Agreement**

**During the 2006 negotiations, concerns were raised with regards to productivity improvements in the plant. The Company and the Union agreed to implement a Seamless Shift Arrangement. The intent of this system is to adjust our current practices so that the production equipment will not stop running during shift changes.**

**The rules for this system will be listed**

- 1. The shift arrangement will commence on January 01, 2007.**
- 2. This shift arrangement will allow for a maximum of one (1) hour plus/minus (+/-) regular shift relief.**



3. **Employees will be paid their regularly scheduled hours on the job/work station they are assigned to.**
  - a. **Employees leaving early or coming in on a pre-arranged late will still get paid for their regularly scheduled hours and employees coming in early or staying on a pre-arranged late will not receive overtime. Employees who enter into these prearranged modified start/stop times will be required to notify the Company in writing prior to the shift when this arrangement is to take place.**
4. **Employees are required to be badged in and at their job/workstation, ready to work at the commencement of their shift (unless otherwise pre-arranged with their seamless shift counterpart).**
5. **In areas where there is no shift following, the employees will continue to work until the end of the shift**
6. **Any hours owed between employees is the sole responsibility of the employees and is not covered or guaranteed by the Company**

### **#32 – Layoff and Recall – Combined Class**

The Company and Union agree that job classifications 100, 110 will be combined for all purposes of layoff and recall except for clause 9.21.

### **#33 – Off Site Assignments**

When selecting employees for off-site assignments where it is unknown or unlikely that overtime will be required, employees will be selected by seniority from the affected classification first then from the classification of the Company's choosing provided they are able to satisfactorily perform the work to be done. If it is known that overtime will be required, the Company agrees to use clause 11.10 provided the employee(s) are able to satisfactorily perform the work to be done. Employees will be paid 200% for any off-site assignment work.

The Company reserves the right to disqualify employees for offsite assignments after meaningful discussion with the union.

### **#34 - Shift Start-up Procedure**

During negotiations the parties agreed to implement a shift start-up procedure similar to that currently used in department 31. This letter is intended to outline the guidelines for applying this type of procedure to the welding departments.

Employees who are not required to work on their job ownership or who maintain classification rights only will be assigned to work through a fair and reasonable daily rotation utilizing the following guidelines:

1. In a designated location, each department will post a list which identifies for the current day (Monday to Sunday) the jobs within each classification and the employee assigned, by badge number. This list will be available a minimum of 15 minutes prior to the start of each scheduled shift. The shift supervisor on the shift will be responsible for the assignments.
2. In the event of an absence, the company may reassign an employee(s) within the classification to fill the vacancy. This will also apply to vacancies created by an employee being transferred on a TWA in accordance with Article 9.07.
3. Classification 240 is deemed to be included in the classifications, which would be eligible for transfer per article 9.07 (C). Such recall shall only apply to employees working in the classification and department on the shift that the vacancy occurs. The Company will be permitted a one shift delay in applying such recall. Where the absence is known to extend beyond that shift, 9.07 (C) will apply.
4. In the event a job ownership is only required for 30 minutes or less due to parts shortages only, the affected employee(s) will be additionally assigned on the list to a rotation assignment.

### **#35 - Six Sigma**

Six Sigma is a worldwide Lear initiative and it is a critical part of the Company's ability to stay competitive and gain customer support. All participants of Six Sigma both Management and Union employees, will follow Six Sigma processes and procedures as defined by Lear Corporation.

Any changes to the procedures of the program which have direct impact on hourly participants and the Union will first be discussed with the Union.

The Company agrees to provide and discuss a schedule of all Six Sigma projects with the Union.

### **#36 – Continuous Improvement/Kaizen**

During negotiations, the Company and the Union discussed their continuing commitment to Kaizen / Continuous Improvement initiatives. These initiatives explore the principles, concepts, and applications of continuous improvement as it relates to our total business in such areas as customer satisfaction, quality, manufacturing processes, housekeeping, culture, costs and people. The Company and the Union recognize the need for continuous improvement to maximize all facets of our business to meet the ever-increasing competitive business pressures and reach our objective of being a premier supplier.

The Company will select employees who are directly related to the specific Continuous Improvement objective, including the opposite shift employees when applicable, to participate in these initiatives. To facilitate these programs, the parties agree to modify the provisions of Article 11.10 in order to allow participants to work overtime provided that this does not deprive any employee of bargaining unit work.

In addition, improvements, which directly impact incentive standards will be recognized as per Article 14.07. The parties further acknowledge that participants will be recognized as an exception under Article 20.03. A Union Representative is entitled to participate in Continuous Improvement sessions. The selection of Continuous Improvement facilitator's may include but not be limited to local facilitators who will also have responsibility for ensuring continuity in the program

The challenges of the future and the success of this program is directly linked to a mutual cooperation and involvement of the parties in the program

### **#37 – Assignment of Skilled Trades**

The Company may assign skilled trades to specific equipment or to a department for periods of up to **ninety (90) days**. Skilled trades would be rotated through the various assignments as per 15.21. In addition, the Company may assign skilled trades to remain on reserve ('pool') being assigned to plant maintenance issues as per Article 15.21.

### **#38 – Skilled Trades Training**

In order to address the concerns regarding Skilled Trade persons receiving familiarization and training on new and existing equipment, the parties agree that the appropriate Skilled Tradespersons may have assignments on a rotating basis of up to a maximum of one (1) month.

## 2007 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

## 2008 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2							1
6	7	8	9	10	11	12	3	4	5	6	7	8	9	2	3	4	5	6	7	8
13	14	15	16	17	18	19	10	11	12	13	14	15	16	9	10	11	12	13	14	15
20	21	22	23	24	25	26	17	18	19	20	21	22	23	16	17	18	19	20	21	22
27	28	29	30	31			24	25	26	27	28	29		23	24	25	26	27	28	29
														30	31					
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2		1	2	3	4	5	6
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30				
							31													
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

## 2009 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31								29	30	31				

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

## 2010 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1			1	2	3	4	5	
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

**LEAR CORPORATION CANADA LTD.**

**KITCHENER PLANT**

**INSURANCE PLAN**

**Exhibit "A", "B" & "D" of the Collective Agreement**

between

**Lear Corporation Canada Ltd.**

**Kitchener Plant**

and

**National Automobile**

***Aerospace, Transportation & General***

**Workers of Canada (C.A.W.)**

and its

**Local Union #1524**

**January 1, 2007**



Approved this 10<sup>th</sup> day of **November, 2006**

**FOR THE COMPANY**

Rick VanHeukelom  
Scott French  
Keith Lock  
Joel Hauck  
Michael Thibodeau  
Fred Murovec  
Zachary Oliveira  
Keith Drimmie

**FOR THE UNION**

Jim Woods	(Plant Chairperson)
Tim Mitchell	(Committeeperson)
Brian Little	(Committeeperson)
Scott Plant	(Committeeperson)
Brian Kropf	(Benefit Rep.)
Don Robins	(Committeeperson)
John Willcocks	(WSIB/EAP Rep.)
Dave Bailey	(President)
Bob Orr	(National Rep. C.A.W.)

## INDEX

### INSURANCE PLAN - Exhibit "A"

Part I	Definitions
Part II	-- Benefits
	2.01 Life and A.D. & D. and Optional Insurance
	2.02 Survivor Income Benefit Insurance
	Bridge Survivor Income Benefits
	2.03 Health Benefit Plans
	A. Semi-Private Hospital
	B. Extended Health Care
	C. Prescription Drug
	D. Audio and Visual Care
	E. Dental
	2.04 Weekly Indemnity Benefits
	2.05 Long Term Disability Benefits
Part III	-- Eligibility
Part IV	-- General Provisions
Part V	-- Term of Plan
Part VI	-- Legal Service Plan
Part VII	-- Provision for Co-ordination of Benefits Under this Policy with Other Benefits
Part VIII	-- Description of Extended Health Care Plan
Part IX	-- Description of Drug Plan
Part X	-- Description of Dental Plan

Following the 1990 negotiations the reference numbering system in Exhibit 'A' of the Collective Agreement was modified. Should the change inadvertently alter interpretation of the plans, the original referencing system will be used to indicate the true intent.

## INDEX

### S.U.B. PLAN - Exhibit "B"

Part A Agreement

Part B Supplemental Unemployment Benefit Plan

Article 1 -	Eligibility for Benefits
Article 2 -	Amount of Regular Benefits
Article 3 -	Credit Units & Duration of Benefits
Article 4 -	Application, Determination of Eligibility & Appeal Procedure
Article 5 -	Administration of The Plan
Article 6 -	Financial Provisions & Reports
Article 7 -	Miscellaneous
Article 8 -	Definitions

Part C Automatic Short Week Benefit Plan

Section 1 -	Eligibility
Section 2 -	Benefit Amount
Section 3-8	(inclusive) General Provisions
Section 9 -	Definitions

Part D Insured Supplemental Unemployment Disability Plan

Section 1 -	Definitions
Section 2 -	Benefits
Section 2.01	-Eligibility for Benefits
Section 2.02	-Amount of Benefit
Section 2.03	-Maximum Benefit
Section 3 -	Contributions
Section 4 -	Amendment and Termination

### SEVERANCE PAY BENEFITS - Exhibit "D"

Agreement  
Severance Pay Plan

## INSURANCE PLAN

### PART I -- DEFINITIONS

1.01 As used in the Plan -

(a) The term "**Employee**" means and includes each and every employee working; any person who, during the term of the plan, has seniority status under the Collective Agreement, and will be deemed to include an employee on an approved leave of absence to work for Local 1524, granted under Article 10.05 of the Collective Agreement.

(b) The term "**Collective Bargaining Agreement**" means a Collective Agreement in effect between the Company and the Union.

(c) The term "**Bargaining Unit**" means the unit of employees defined in the current Collective Bargaining Agreement between the Company and the Union.

(d) "**Pension Plan**" means the Pension Plan Agreement entered into between the parties hereto on January 1, **2007**.

(e) "**Retired Employee or Pensioner**" means an employee who has retired or will retire from the active employ of the Company and who received a pension pursuant to the terms of the Pension Plan.

(f) "**Accident**" means a disability which is the result of an external force or any bodily injury not deliberately self-inflicted.

(g) "**Sickness**" means disability as the result of sickness or any departure from normal health which does not fall into the Accident category.

(h) "**Dependent**" means a spouse of an employee; each child of an employee.

"**Spouse**" means:

(i) a person legally married to an employee, or

(ii) a person publicly represented as the spouse of an employee with whom the employee has resided for a period of not less than one (1) year, for as long as the public representation and residency requirement continue.

"**Child**" means:

(i) a natural or legally adopted child of an employee or employee's spouse, or

(ii) a child who has resided with an employee in a parent-child relationship for a period of not less than one (1) year. To the end of the calendar year in which such child attains

25 years of age (or any age if permanently and totally disabled), who is unmarried and is not employed on a full time basis and is dependent upon the employee for support.

i) **"Insurer"** means any duly qualified insurance company licensed to undertake a contract of life insurance and/or group life insurance and/or sickness and accident in the Province of Ontario and includes any association registered under the Prepaid Hospital and Medical Services Act of Ontario.

(j) **"Physician"** means a medical practitioner who is registered under the Medical Act of the Province of Ontario or such similar statute or law as governs the practice of medicine in the jurisdiction in which any medical, surgical or obstetrical services are rendered to an employee or his/her dependent.

(k) **"Chiropractor" or "Osteopath" and "Podiatrist"** means a practitioner in the treatment of disease by manipulation of the joints of the human body and is licensed under the Drugless Practitioner Act of the Province of Ontario or such other statute or law as governs the practice of chiropractic or osteopathy and podiatry.

(l) **"Surgical Procedure"** means a procedure that is recognized under O.H.I.P. Schedule of Insured Services whether performed in the hospital or in the Doctors office.

(m) **"Surgical Dental Procedure"** means surgery on multiple sites or under general anesthetic performed in a dental office.

(n) **"Acupuncture"** means the treatment of disease and disorders without the using of prescription drugs and is licensed or regulated under one of the Drugless Practitioner acts of the Province of Ontario or such other statute or law as governs the practice of Acupuncture.

(o) **"Naturopath"** means a member of the Canadian Naturopathic Association or a Provincial Association affiliated with it. A Naturopath must be registered in the province (RIPP) and will have a N.D. after their name.

(p) **"Dietician"** means a member of the Canadian Diabetic Association or a Provincial Association affiliated with it. A dietician must be in private practice and must be qualified to use the designation R.P.D.T. (Registered Professional Dietician).

1.02 Every effort has been made to make all references in this plan gender neutral. Any alterations of context or potential interpretations as a result will not alter agreed upon interpretations and intents.

1.03 Each employee shall be deemed to be single without dependents until he/she has given notice and satisfied the Company with such proof as it shall reasonably required of the existence of his/her dependent or dependents. He/she must further inform the Company promptly of any changes in the status of his/her dependents which would effect their eligibility under the plan.

1.04 Claiming of an ineligible dependent will give the Company the right to deduct from his/her pay the amount of premium paid on behalf of such ineligible dependent.

## PART II - BENEFITS

### 2.01 Life and Accident Death and Dismemberment Insurance

a) The Company will enter into a contract of group life insurance with an Insurer or Insurers insuring each employee and pensioner as follows:

#### Life Amount - Effective

Classification	Jan 1/2007
Active Employees	\$51,000.00
Retired Employees	\$6,000.00 (paid up)

This insurance will take effect on the day the employee or pensioner first becomes eligible to participate, or if not actively at work at that time then on the day he/she returns to active work on full time and completes one day.

The insurance in respect of an employee shall automatically be terminated on the date of termination of the plan or on the date of termination of such employee, whichever date is earlier. The insurance in respect of an employee automatically converts to a paid up policy in the amount specified above upon retiring. The insurance in respect of a pensioner shall automatically terminate upon the date he/she dies.

(b) If any employee, before attaining the age of 65 years or retiring and while insured hereunder, becomes totally disabled and presumably will thereafter during life be unable to engage in any occupation or employment for wage or profit, the Company will cause the Insurer upon proof thereof to the satisfaction of the Insurer to continue his/her life insurance in force during such time he/she remains totally disabled at the full amount thereof until his/her normal retirement date as defined in the Pension Plan and thereafter the amount of life insurance coverage will be reduced to \$6,000.00 (paid up).

(c) The Company will enter into a contract of group insurance with an Insurer or Insurers insuring each employee for Accidental Death and Dismemberment Insurance in the amount of **\$36,500.00** effective January 1, **2007**. Such insurance shall be payable in a lump sum in the event the death of an employee falls within three hundred and sixty-five days as the result of a bodily injury caused, directly and independently of all other causes, by external violent and accidental means. Such insurance shall likewise be payable in the event an employee suffers certain losses as are set forth below in the schedule of losses. If loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place, the total amount payable shall be two (2) times the principles sum of Accidental Death and Dismemberment Insurance.

#### Schedule of Losses

In the event of loss of:

Life .....	The Principal Sum
Both Hands .....	The Principal Sum
Both Feet .....	The Principal Sum
Entire Sight of Both Eyes .....	The Principal Sum
One Hand and One Foot .....	The Principal Sum
One Hand and the Entire Sight of One Eye.....	The Principal Sum
One Foot and the Entire Sight of One Eye.....	The Principal Sum
One Arm .....	Three-Fourths of The Principal Sum
One Leg .....	Three-Fourths of The Principal Sum
One Hand .....	One-Half of The Principal Sum
One Foot .....	One-Half of The Principal Sum
The Entire Sight of One Eye .....	One-Half of The Principal Sum
Thumb and Index Finger.....	One-Quarter of The Principal Sum
Individual Finger or Thumb.....	One-Tenth of The Principal Sum

"Loss" as above used with reference to hand or foot means complete severance through or above the wrist or ankle joint, but below the elbow or knee joint: as used with reference to arm or leg means complete severance through or above the elbow or knee joint: as used with reference to thumb and index finger or individual thumb or finger means complete severance through or above the first phalange: and as used with reference to eye means the irrecoverable loss of the entire sight thereof. Indemnity provided under this part will not be paid under any circumstances, for more than one of the losses, the greatest, sustained by any one insured person as the result of any one accident.

To qualify for this Dismemberment Insurance the claim must occur within seven hundred and thirty days of the occurrence of the accident. The amount of Accidental Death and Dismemberment Insurance payable under this plan in respect to an employee shall in no event exceed the principal sum specified in the above paragraph. Accidental Death and Dismemberment Insurance will not be provided for retired employees (including retirees in receipt of a total and permanent disability pension).

The contract may contain such limitations and conditions as are normally found in contracts issued in Ontario for insurance of this type.

- d) The policy of a group life insurance shall provide that a person within 31 days after the later of:
- (a) the date of termination of his/her employment while insured, or
  - (b) the date of termination of his/her insurance if such insurance has been continued under 2.01 (d) of this Part:

shall have the privilege (herein called the Conversion Privilege), of obtaining, without medical examination, an individual policy of life insurance upon written application made to the Insurer and payment of the first premium therefor, within said 31 day period. The amount of such policy may not exceed the amount of life insurance in force under the group policy with respect to the life of such person upon the first date the privilege can be exercised: the policy may be on any of the Regular Life and

Endowment Plans; premium shall be based upon the age of the person at the time of conversion for the Class of risk to which he/she belongs. During the 31 day conversion period, notwithstanding the termination of life insurance under the plan, the Insurer will maintain group life insurance in force with respect of the said person and if the Conversion Privilege is exercised the individual policy will take effect upon the expiration of the said 31 day period.

**e) Optional Group Life Insurance**

The company will, effective January 1, **2007**, enter into a contract of Optional Group Life Insurance with an Insurer or Insurers which will afford each seniority employee an opportunity to purchase additional Life Insurance for himself/herself and his/her dependents, provided however that 30 or more employees participate in the Plan.

**Eligibility**

Each seniority employee in active employment with the Company on the effective date of the plan will be eligible to participate, or if not at work on that day then on the first of the month following his/her return to active employment. Each new or re-hired employee will be eligible to participate on the first of the month following his/her attaining seniority under the Collective Agreement.

**Schedule of Insurance**

Employee - in increments of \$10,000 to a maximum of \$250,000.

<b>Employee's Age</b>	<b>Employee monthly premium Cost per \$10,000 (subject to change)</b>
Up to 30	\$ .508
31 - 35	\$ .572
36 - 40	\$ .702
41 - 45	\$ 1.134
46 - 50	\$ 1.976
51 - 55	\$ 3.283
56 - 60	\$ 5.422
61 - 64	\$7.776

When an employee's age falls into the next higher age group, the premium for that age group will apply.

Dependents - The employee may choose one of the following options:

- A - Spouse - \$30,000: Dependent Child - \$12,000
- B - Spouse - \$35,000: Dependent Child - \$14,000
- C- Spouse - \$50,000: Dependent Child - \$16,000
- D- Spouse - \$60,000: Dependent Child - \$18,000
- E- Spouse - \$80,000: Dependent Child - \$22,000



Employee's Age	Employee monthly premium (subject to change; applicable taxes not included)				
	A	B	C	D	E
Up to 30	2.98	3.58	4.46	5.35	7.06
31 - 35	3.32	3.98	4.99	5.99	7.92
36 - 40	4.00	4.80	5.99	7.19	9.52
41 - 45	5.02	6.02	7.52	9.02	11.96
46 - 50	7.22	8.66	10.84	13.01	17.28
51 - 55	9.33	11.20	14.00	16.80	22.33
56 - 60	14.58	17.50	21.87	26.24	34.92
61 - 64	23.91	28.69	35.87	43.04	57.32

When an employee's age falls into the next higher age group, the premium for that age group will apply.

Premium costs for employee and dependent optional insurance will be paid through payroll deduction. In the case of employees on layoff or otherwise absent from work, the cost of premiums must be received by the Company no later than the 20th of the month prior to the coverage month for which premiums are due.

### **Evidence of Insurability**

**All Optional Life and Dependant Life Insurance is Age Banded and Requires Evidence of Insurability.** Evidence of Insurability forms are available from the Benefits Department. Based on the answers submitted on the form, medical evidence, at the Carriers expense, may be required.

Applications made for Employee or Dependent Optional Insurance, after the employee is first eligible to participate will require evidence of insurability and based on the answers submitted on the form, medical evidence at the employee's expense may be required. This also applies to employees and their dependents reapplying for coverage who were previously covered under this plan and such coverage was terminated for any reason.

If a participating employee dies, payment of his/her Optional Life Insurance in effect at the time of his/her death will be made to his/her last designated beneficiary, except that no payment under the plan will be made for loss of life resulting from any injury caused or contributed to by, or as a consequence of, suicide or any attempt thereat (whether sane or insane), or intentionally self-inflicted injury unless the employee has been insured under the plan for at least twenty-four consecutive months: or, in the case of an increase in the amount of an employee's insurance, no payment with respect to such increase shall be made for loss of life resulting from any injury caused or contributed to by, or as a consequence of, suicide or any attempt thereat (whether sane or insane), or intentionally self-inflicted injury unless the employee has been insured with respect to such increase for at least twenty-four consecutive months.

If the spouse or child of a participating employee dies from any cause, a lump sum payment of the amount of his/her Dependent Optional Life Insurance in effect at the time of death will be paid to the employee.

Coverage under this Optional Life Insurance Plan will terminate when:

- (a) the plan is discontinued
- (b) the employee quits or is terminated
- (c) the employee fails to pay the premiums to the Company when due
- (d) the employee voluntarily terminated coverage
- (e) the employee reaches age 65
- (f) the employee retires

### **Conversion Privilege**

Within 31 days of the date of termination of his/her employment, an employee may convert his/her Optional Life Insurance to an individual policy without evidence of good health and the employee's spouse may convert his/her or Dependent Optional Life Insurance within 31 days of the termination date of the employee without evidence of good health. There is no conversion privilege for dependent children insurance.

Application for such conversion(s) must be made within such 31 day period. If either the employee or spouse insured under the Optional Life Insurance Plan dies within the application period the full amount of insurance for the employee or spouse will be paid.

The contract may contain such limitations and conditions as are normally found in contracts issued in Ontario for insurance of this type.

## **2.02 SURVIVOR INCOME BENEFIT INSURANCE**

### **(a) Transition Survivor Income Benefit**

(1) The Company agrees to provide Transition Survivor Income Benefits Insurance for a period of up to a maximum of twenty-four (24) months in the amount of:

- \$600.00 per month payable to the eligible survivor of an employee who dies on or after January 1, **2007**;

except that \$625.00 per month effective January 1, **2007** will be payable in any month in which;

(i) an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or

(ii) an eligible Class B survivor survives both parents.

(2) Such insurance shall also be provided for an employee who is retired under any Pension Plan of the Company due to total and permanent disability, but only until he/she has attained age 65.

No other retired employee shall be insured hereunder.

**(b) Payment of Transition Survivor Income Benefit**

In the event of death of an insured employee from any cause, benefits shall be payable monthly commencing on the first day of the calendar month following the death of the employee and on the first day of each month thereafter or until twenty-four (24) such payments have been made or until there are no eligible survivors in any Class of eligible survivors, whichever should first occur.

In no event will the maximum amount payable, on account of the death of an employee:

- on or after January 1, **2007**, exceed \$600.00 per month or \$14,400.00 in total;

or in the case of (a)(1)(i) and (ii) above the maximum payable will not exceed:

-on or after January 1, **2007**, \$625.00 per month or \$15,000.00 in total;

Payments shall be made to the eligible survivor or in equal shares to the eligible survivors in the first of the classes of survivors set forth in sub-section (c) herein where there is an eligible survivor or survivors.

**(c) Classes of Eligible Survivors**

The Classes of eligible survivors (also referred to herein as eligible dependents) and the order of qualifying for benefit are as follows:

Class A: The spouse of a deceased employee, as defined in Part I 1.01 (h)(i) of this Insurance Plan:

Class B: Any child as defined in Part I 1.01 (h)(ii) of this Insurance Plan, of the deceased employee, who at the time a Transition Survivor Income Benefit first becomes payable to him/her is both unmarried and either (i) under 25 years of age, or (ii) totally and permanently disabled at any age over 25; provided, however, that a child under (i) or (ii) must have been legally residing with and dependent upon the employee at the time of his/her death.

A child shall cease to be a Class B eligible survivor upon marriage, or if not totally and permanently disabled, upon reaching his/her 25th birthday:

Class C: A parent of the deceased employee for whom the employee had, during the calendar year preceding the employee's death, provided at least 50% of the parents support.

**(d) Sequence of Payments**

Payments shall be made to the eligible survivors as set forth in sub-section (c) above in the following order:

**(1) Class A Eligible Survivors**

If a Class A eligible survivor dies or becomes ineligible prior to the payment of the maximum number of 24 benefit payments, the right to any remaining payments shall pass in equal shares for the balance of the maximum number of payments to any surviving children who then qualify under Class B or, if there are none, then in equal shares for the balance of the maximum number of payments to any surviving parents who then qualify under Class C.

**(2) Class B Eligible Survivors**

If, after having qualified under Class B, a child marries, or dies, or attains age twenty-five, any remaining payments shall be divided equally among any surviving children who continue to qualify under Class B. After the last child marries, or dies, or attains age twenty-five, any remaining payments shall be divided equally among any surviving parents who then qualify under Class C.

**(3) Class C Eligible Survivors**

If more than one parent qualifies under Class C and either parent dies, any remaining payments shall be payable to the surviving parent.

**(4) No Eligible Survivor**

If no eligible survivor of the employee qualifies in any Class on the first of the month following the death of the employee, no payments will be made hereunder. Once begun, payments will cease when there is no eligible survivor in any Class.

- (e) (1) For the eligible Class A survivor of a deceased employee, the amount of Transition Benefit shall be \$600.00 effective January 1, **2007** except as provided in sub-section (a) (1) above reduced by any survivor's disability or retirement benefit under the Canada Pension Plan or any Old Age Security Benefits as now in effect, of as hereafter amended. Provided, however, that no such reduction hereunder shall reduce the monthly Transition Benefit below the sum of \$525.00 effective January 1, **2007**.
- (2) For the eligible Class B or Class C survivor or survivors of a deceased employee, the amount of Transition Benefit shall be:
- (i) \$600.00 effective January 1, **2007**, except as provided in sub-section (a)(1) above, in any month in which such survivor or survivors are not eligible for any survivors disability or retirement benefit under the Canada Pension Plan or any Old Age Security Benefit as now in effect or as hereafter amended, or;

(ii) \$485.00 effective January 1, **2007**, for any month for which such survivor or survivors are eligible for such statutory benefits, except that for months in which two or more survivors share a Transition Benefit immediately following the death of the employee, each survivor's share is computed as a fraction of the Transition Benefit that would be paid to him/her as a sole survivor, according to his/her own eligibility for the statutory benefit.

(3) Eligible Class A survivors in receipt of Transition Benefits prior to January 1, **2007** will continue to receive \$550.00 per month (\$575.00 per month if an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or an eligible Class B survivor survives both parents).

The Transition Benefit in this case if reduced as per (e) (1) above, shall not be reduced below the sum of \$475.00.

## **BRIDGE SURVIVOR INCOME BENEFITS**

### **Survivor Income Benefits for Class A Eligible Survivor, age 45 or over at the time of death of the employee.**

(f) There shall be payable in accordance with the terms and conditions of this sub-section to a Class A eligible survivor, both in terms as defined in sub-section (c) above, who was 45 years of age or more, or whose age in combination with the years of service of the deceased employee total 50 or more on the date of the employee's death and who has receive 24 monthly payments of the Transition Survivor Income Benefit provided in sub-section (a) and (b) above.

(1) The Bridge Survivor Income Benefit will become payable commencing with the first month following the month for which the twenty-fourth monthly payment of the Transition Survivor Income Benefit is paid as follows:

- \$550.00 per month payable to the eligible survivor of an employee who dies on or after January 1, **2007**;

except that \$575.00 per month effective January 1, **2007** will be payable in any month which:

(i) an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or

(ii) an eligible Class B survivor survives both parents.

(2) The amount of the Bridge Survivor Income Benefit shall be reduced by any survivor's or disability benefit under the Canada Pension Plan as now in effect or as hereinafter amended, provided however, that no such reduction hereunder shall reduce the monthly Bridge Survivor Income Benefit below the sum of \$525.00 effective January 1, **2007**. Any reduced Bridge Survivor Income Benefit being paid prior to January 1, **2007**, shall have a of reduction limit of \$475.00.

(3) The Bridge Survivor Income Benefit will cease to be paid immediately upon occurrence of:

- (i) The death or remarriage of the Class A eligible survivor or,
- (ii) Attainment by the Class A eligible survivor of such age at which Old Age Security Benefits become payable, other than on a "needs" basis under any federal or provincial legislation, as now in effect or hereafter enacted or amended,
- (iii) The commencement of a period covered by a waiver in accordance with Section (i).

(4) Eligible Class A survivors in receipt of Bridge Benefits prior to January 1, **2007** will continue to receive \$500.00 per month (\$575.00 per month if an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or an eligible Class B survivor survives both parents) for employees who died prior to 1991.

Eligible Class A survivors in receipt of Bridge Benefits prior to January 1, **2007** will continue to receive \$525.00 per month (\$600.00 per month if an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or an eligible Class B survivor survives both parents) for employees who died during 1991.

Eligible Class A survivors in receipt of Bridge Benefits prior to January 1, **2007** will continue to receive \$550.00 per month (\$625.00 per month if an eligible Class A survivor has a dependent child as defined in sub-section (c) of this section, or an eligible Class B survivor survives both parents) for employees who died after January 1, 1992.

**(g) Cancellation and Conversion Provisions upon Termination of Employment**

Upon termination of employment other than by retirement, all Survivor Income Benefit Insurance will be canceled and the employee shall be entitled to have issued to him/her an individual policy of life insurance in accordance with the provisions of 2.01 d) if he/she has an eligible dependent under any Class as set forth in (c) above at the termination of his/her employment. The amount of such individual policy of life insurance issued shall be the total amount of Survivor Income Benefit that would have been paid if the employee had died on the date of his/her termination (or a lesser amount at the option of the employee). Application for this Conversion Privilege must be made within 31 days after the last day of the calendar month in which the Survivor Income benefit Insurance is canceled. If the employee dies during such 31 day period, whether or not the employee shall have made application for such individual policy, the Insurer shall pay any Survivor Income Benefit which would otherwise be payable in accordance with (a)(1)

(h) No Survivor Income Benefit payable hereunder shall be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liability of any eligible survivor except as required by applicable law.

- (i) A Class A eligible survivor may waive irrevocably any right to receive Transition or Bridge Survivor Income Benefit in order to receive a greater survivor benefit under the hourly employee's Pension Plan. In the event of the death of such survivor, payments for the balance of any period for which the Transition Survivor Income Benefits would have been payable had they not been waived, will flow to the Class B or C eligible survivor in the same amount as if they had not been waived.
- (j) Payments currently being made to eligible survivors shall be adjusted, as necessary, to ensure that no recipient shall receive a benefit that is less than the minimum benefit levels defined above.

## 2.03 HEALTH BENEFITS

- a) The Company will pay the whole of the monthly premium in respect of:

- (1) an employee, or
- (2) a retired employee

and his/her dependents charged by the Insurer in order to provide Semi-Private Hospital accommodation. In the case of an employee such premiums will only be paid by the Company for the months in which he/she is enrolled on its factory payroll and in accordance with Eligibility under Part III.

- b) The Company will pay the whole of the monthly premium in respect of:

- (1) an employee, or
- (2) a retired employee

and his/her dependents to provide an Extended Health Care Plan as described in Part VIII.

- c) The Company will pay the whole of the monthly premium in respect of:

- (1) an employee, or
- (2) a retired employee

and his/her dependents charged by an Insurer for a Prescription Drug Plan as described in Part IX.

- d) The Company will pay the whole of the monthly premium in respect of:

- (1) an employee, or
- (2) a retired employee

and his/her dependents charged by an Insurer to provide Audio-Visual Care on a non-deductible basis as follows:

- (i) Hearing Aids, on the written prescription of a medical doctor, to a maximum of \$850.00 if only one hearing aid is prescribed and \$1400.00 if two hearing aids are prescribed, per person, in

any period of thirty-six (36) consecutive months. Covered expenses include charges for cost, installation, repair and maintenance (excluding batteries) of hearing aid or aids. Effective January 1, 2006, increase to \$900 for single hearing aid, and \$1600 for a pair.

(ii) Eyeglasses, prescription sunglasses, contact lenses, corrective laser eye surgery and eye examinations, up to a total amount of \$250.00 effective January 1, **2007**, per person in any period of two consecutive calendar years when provided on the written prescription of a medical doctor or optometrist. Sunglasses for cosmetic purposes are not included. Effective January 1, 2006, use 2 cycles for laser eye surgery.

In addition, when a change in prescription requires new lenses for *employees and all dependents*, charges up to \$80.00 will be paid in alternate calendar years not to exceed the above combined limits in any period of two consecutive calendar years.

(iii) Full payment for contact lenses when used to correct vision problems resulting from keratoconus, anisometropia, irregular astigmatism or irregular corneal curvature and when required due to physical deformity (such as the absence of an ear or nose).

e) The Company will pay the whole of the monthly premium in respect of:

- (1) an employee, or
- (2) a retired employee

and his/her dependents charged by an Insurer for a Dental Plan equivalent to the Plan in effect during **2006**, as described in Part X, with benefits not to exceed the Ontario Dental Association rate schedule currently in effect for **2006**. The **2006** rate schedule payable for **claims in 2007**, the **2007** rate schedule payable for claims in **2008**, the **2008** rate schedule payable for claims in **2009**, and the **2009** rate schedule payable for claims in **2010** or as modified during the term of this Agreement.

- f) The Company will pay the whole of the monthly premiums in effect at the time of the employee's death as described in a) through e) for a Class "A" surviving spouse and dependents as defined in 2.02 of this Plan who continue to be eligible for monthly survivors Transition Income Benefits and/or Bridge Income Benefits.
- g) The Company will pay the whole of the monthly premiums in effect at the time of the retired employee's death as described in a) through e) for the surviving spouse as defined in Section 4.06 of the Pension Plan and his/her dependents, who is receiving a monthly survivor benefit or has elected to receive the Commuted Value Lump Sum as described in Section 5.09 (a) of the Pension Plan, however, such coverage shall terminate upon remarriage or death of the surviving spouse.
- h) Employees who experience a layoff extending beyond 3 months will only qualify for benefit coverage after working 15 days within a 3 month period upon recall.



## 2.04 WEEKLY INDEMNITY BENEFITS

- a) The Company and the Union agree to integrate Weekly Indemnity Benefits with the Employment Insurance Disability Benefits in the following manner:
- (1)
    - (i) For weeks in which an otherwise eligible employee does not qualify for Employment Insurance Disability Benefits, he/she will be entitled to receive an insured Weekly Indemnity Benefit as provided in (2) below.
    - (ii) In a situation where it is obvious that an eligible employee's application for Employment Insurance Disability Benefits will be denied, it is not the Company's intention to insist on documentary evidence of such denial and in these instances it will direct that benefits immediately be assumed by the Insurer.
    - (iii) If an employee is denied an Employment Insurance Maternity Benefit the Insurer will pay Weekly Indemnity Benefits during the period of normal pregnancy leave, as defined in the Ontario Employment Standards Act.
  - (2) For weeks in which the employee receives an Employment Insurance Disability Benefit, including an Employment Insurance Maternity Benefit, an insured Supplementary Unemployment Benefit will be provided, raising the total to the greater of:
    - (i) Sixty (60) percent of the Maximum Insurance Earnings as established by the Employment Insurance Commission, less income tax, or;
    - (ii) \$670.00 effective January 1, **2007**, less income tax:
- provided, however, that such benefit shall not exceed seventy-five (75) percent of his/her weekly straight time pay as defined in the Supplemental Unemployment Benefit Plan, being Exhibit "B" to the Collective Agreement.
- (3)
    - (i) If the disability is the result of an accident, the benefits will be paid as, from, and including the first day of disability. If the disability is the result of sickness, the benefits will be paid as, from, and including the fifth day of disability, except that if the sickness results in confinement to a hospital for at least one full day or necessitates a surgical procedure as an outpatient or in a Doctor's office or medical clinic, (including a disability as a result of undergoing voluntary surgery for sterilization purposes), the benefits will be paid as, from, and including the first full day of such hospital confinement or day of surgical procedure. If the disability claim is the result of a female seeking sanctuary at a Woman's Abuse Centre, the benefits will be paid as, from, and including the first day of such sanctuary. If an employee is unable to return to work following a pregnancy leave of absence, as defined in Article 10.04, because of disability or pregnancy-related disability, benefits will be paid as, from, and including the day that the employee was scheduled to return to work.

(ii) A period of care will be considered to have started when you have been seen and treated personally by a physician. If an employee is unable to be seen and treated personally by a physician the Company will accept proof of diagnoses and treatment by a physician over the telephone in establishing the commencement of a period of care. The consulting physician must complete an attending physicians statement confirming the diagnosis and treatment rendered by telephone.

(iii) No weekly Indemnity Benefits will be paid for any day for which an employee has received pay for more than four (4) hours in an eight (8) hour shift or five (5) hours in a ten hour shift, and such day shall not be considered as the first day of a sickness disability if such employee has received pay for more than four hours in an eight (8) hour shift or five (5) hours in a ten hour shift.

(iv) An employee eligible for weekly indemnity benefits working modified hours will be paid the greater of:

- (A) maximum weekly indemnity benefits
- (B) his/her total earnings for hours worked

v) The Company will provide for Weekly Indemnity benefits while an employee's WSIB claim is being processed, subject to meeting the disability qualifications of such benefits. Employees will provide a waiver at the time of applying for such benefits, which provides for reimbursement to the Company or the Insurance Carrier when the WSIB claim is approved.

(4) The maximum benefit period, including the period when Employment Insurance is first paid, shall be fifty-two (52) weeks of continuous disability.

(5) The Weekly Indemnity Benefit will be reduced by any benefits to which he/she is entitled as a result of the primary disability benefit under the CPP/QPP or similar legislation. The Company and the Insurer will be provided copies of the application for CPP/QPP disability benefit and notification of entitlement.

(6) For the purpose of administering the privately insured portion of this section:

- (i) any reference to day or daily shall mean a regular working day - Monday to Friday, and;
- (ii) any reference to week or weekly shall mean a regular working week - Monday to Friday.

"Disability" means that period of time during which the employee is unable to engage in the regular duties of his/her occupation with the Company. Disability will be deemed to have terminated on the date of entry into any additional occupation or employment for wage or profit.

b) If after termination of any disability on account of which the employee became entitled to any Weekly Indemnity Benefit under this section, and the employee again becomes disabled due to the same or related cause or causes, such later disability shall be treated as a continuation of

the previous disability unless the employee was continuously employed by the Company on full time and for full pay for a period of not less than two (2) consecutive weeks after termination of the previous disability.

c) No Weekly Indemnity shall be payable for any period of disability during which the employee is not wholly and continuously disabled as above provided and is not under treatment of:

(1) a physician legally licensed to practice medicine, or:

(2) a Chiropractor or Osteopath and Podiatrist (benefits limited to a maximum period of four (4) weeks unless referred by a physician.

(3) a Dental Surgeon who has performed a Surgical Dental procedure as defined in 1.01 (m). (Benefits limited to a maximum period of one (1) week).

d) No Weekly Indemnity Benefit shall be payable for:

(1) injury sustained or sickness contracted as a direct or indirect result of war or engaging in a riot:

(2) alcoholism or addiction to drugs unless confined in hospital or participating in the joint Company/Union Employee Assistance Program (EAP);

(3) injury sustained while doing any act or thing pertaining to any occupation or employment for wage or profit, or sickness for which the employee is entitled to indemnity or compensation under any Workplace Safety & Insurance Act;

(4) injury sustained or sickness contracted as a result of participation in the commission of a crime, other than a traffic violation and minor offences under the Criminal Code;

(5) injury sustained or sickness contracted after the month following the month of layoff.

e) Employees on layoff unable to return to work when recalled due to sickness or injury will automatically qualify for Weekly Indemnity, when permitted by law.

f) Weekly Indemnity Benefits shall cease upon the earlier of:

(1) the disability ends

(2) the employee retires

g) An employee will receive a Pay continuance benefit up to a maximum of fifteen (15) weeks or area qualifying hours (at their E.I. benefit rate) if the following conditions exist.

1. If they were on a E.I. sick/maternity benefit in their qualifying period. The qualifying period is the fifty-two (52) week period prior to the date they must re-qualify for E.I.

2. As a result of their sickness/maternity period they run out of E.I. layoff benefits.
3. They did not work sufficient weeks after the sickness/maternity to re-qualify for E.I.

The Company's obligation is limited to the number of E.I. weeks used for sick/maternity benefits.

The normal payroll deductions will be made on this pay continuance, in accordance with Revenue Canada's determination of eligibility.

## **2.05 LONG TERM DISABILITY INSURANCE BENEFITS**

An employee who was eligible for Weekly Indemnity Benefits in accordance with 2.04 and was so disabled for the maximum period (52 weeks) or has exhausted his/her Weekly Indemnity Benefit and provides medical evidence of their continuing total disability, shall receive monthly Long Term Disability Insurance Benefits as follows:

- (a) Commencing with the day following the last day of eligibility under Weekly Indemnity Insurance, monthly Long Term Disability Insurance Benefits shall be payable according to the following schedule:
  - (1) \$1,750.00 less income tax, per month for disabilities which occurred in 2001.
  - (2) \$1,800.00 less income tax, per month for disabilities which occur after December 31, 2001.
  - (3) \$1,850.00 less income tax, per month for disabilities which occur after December 31, 2002.
  - (4) \$1,900.00 less income tax, per month for disabilities which occur after December 31, 2003.

In the context of this section "Totally Disabled" means that period of time during which the protected person is unable to perform the regular duties of his/her occupation and does not engage in any additional occupation or employment for wage or profit, for which he/she is reasonably qualified by education, training or experience. However, if the disability continues for more than twenty-four months after Weekly Indemnity Benefits are exhausted, it shall be defined thereafter as that period during which the protected person is unable to engage in any occupation or business for compensation or profit for which he/she is reasonably fitted by education, training or experience.

"His/her occupation" means each and every occupation or employment that the protected person is engaged in for wage or profit immediately prior to the date of the commencement of any loss covered hereunder.

Such increased benefits will only be paid in months during which such employees continue to be eligible for Long Term Disability Benefits.

- (b) The maximum period during which Long Term Disability Insurance Benefits are payable shall be limited by the earlier of:
- (1) the number of months by which the employee's seniority exceed twelve (12) at the time his/her disability began or if employee's seniority is ten (10) years or more, until he/she attains age 65;
  - (2) the end of the month following the month at which a benefit under the Old Age Security Act is first payable;
  - (3) the day the employee no longer satisfies the disability requirements;
  - (4) the date of the employee's death.
  - (5) the date the employee retires from the Company
- (c) The amount of Long Term Disability Benefits payable shall be reduced by any or all of the following for which the employee is eligible:
- (1) Workplace Safety & Insurance Board Benefits, except specific allowance for loss or one hundred percent (100%) loss of use, of a body member;
  - (2) disability or old age benefits (contributor's benefits only) under any existing or future provincial or federal legislation; The Company and the Insurer will be provided copies of the application for CPP/QPP disability benefit and notification of entitlement.
  - (3) Any benefits under any provincial or federal law providing benefits for a period of training during unemployment, or for a period of disability;
  - (4) Pension Benefits under any Retirement Plan of the Company.

Effective with respect to benefits for disability on or after March 1, 1973, regardless of when the employee last worked, the amount of benefit under Clauses (1), (2), (3) and (4) of this sub-section is not increased subsequent to the first day for which Extended Disability Benefits are payable, or March 1, 1973 if later, except that the amount of such increase is not disregarded if it represents an adjustment in the original determination of the amount of such benefit.

- (d) Applicable deduction for benefits referred to in Section (c) shall be made as soon as possible as the employee becomes eligible for such benefits unless the employee submits satisfactory evidence that these benefits were applied for and denied for reasons other than denial to accept vocational rehabilitation services.
- (1) The amount of Long Term Disability Benefits shall be reduced by the monthly equivalent of other benefits as applicable by:

- (i) multiplying the weekly benefits rate by four and thirty-three hundredths (4.33);
- (ii) dividing lump sum settlements into the monthly equivalent of the amount of benefits which the employee would have received in the absence of such lump sum settlement, not to exceed the amount of settlement.

(2) Benefits and reductions applicable to period other than a full month, shall be pro-rated on the basis of the ratio of calendar days for the period in question to the total number of calendar days in the month.

#### **e) Limitations**

The insurance under this policy does not cover a disability resulting from any of the following:

- (1) willfully self-inflicted injury or any attempt at self-destruction;
- (2) any condition for which the employee is not under the care of a physician or surgeon duly licensed to practice medicine;
- (3) service in the armed forces unless the employee has been in employment with the employer for at least 10 years following separation from such service;
- (4) any disability which consists of chronic alcoholism, or is caused or contributed to be chronic use or narcotics, barbiturates, or hallucinogenic substances. This exclusion shall only be operative after benefits for twenty-four months have become payable. If the participant is under the care of a physician or undergoing active treatment in a treatment centre, this exclusion will not apply.

#### **f) Claims Procedures**

The Company will initiate the claim by furnishing the Insurer copies of the Weekly Indemnity Claim proofs at the end of the tenth month of each claim.

#### **g) Recurrence of Disability**

If, following the receipt of Long Term Disability Benefits under this section of the Insurance Plan, the employee ceases to be totally disabled and within three (3) months is again totally disabled by reason of the same or related cause or causes, such disability will be considered a continuation of the previous disability and resumption of Long Term Disability payments, subject to the terms of this section of the Insurance Plan, will commence immediately after the date of recurrence of the disability.

### **PART III - ELIGIBILITY**

- 3.01 It is understood and agreed that in addition to the eligibility requirements set out in this plan, employees, and retired employees, as the case may be, must continue to comply with the eligibility requirements as set out in the various plans concerned.
- 3.02 Any employee actively engaged in his/her duties on the effective date of this plan and who has attained seniority under the terms of the Collective Agreement shall be entitled to benefits as set out in this plan on and after the effective dates of the various plans. An employee who is on vacation or on leave of absence with the consent of the Company, or who is working less than his/her standard shift, shall be deemed to be included.
- 3.03 Benefits in respect of any dependent of an employee shall become effective:
- (a) New or Re-hired Employees - as of the date the employee becomes eligible for benefits, provided that the employee has notified the Company of such dependent(s) prior to that date.
  - (b) Seniority Employees - a seniority employee who requests coverage for eligible dependent(s) prior to the twentieth (20) of any calendar month will have such coverage effective retroactive to the first (1st) day of that month. Requests made after the twentieth (20) of the month shall become effective as of the first day of the following month.
- 3.04 An employee in receipt of Weekly Indemnity at the time of layoff shall be entitled to continue to receive his/her Weekly Indemnity payments for the maximum period to which he/she is entitled.
- 3.05 A person who is re-employed with credit for prior services shall be reinstated -
- (a) Automatically with respect to the benefits described in Part II, in that his/her eligibility shall not be subject to the provisions of 3.02 of this Part, and;
  - (b) Employees who continued their benefit coverage as per 3.06 (a) below, and if such re-employment occurs after the first day of a month the employee will be reimbursed the cost of such benefit coverage. Such costs shall be reimbursed on the basis of the ratio of calendar days for the period in question to the total number of calendar days in the month.
- 3.06 Benefits Coverage During Absences From Work

The Company agrees to pay the premiums for insured benefits under the Insurance Plan, for eligible employees on certain leaves or absences from work, according to the following:

- (a) Employees on layoff will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 up to but not including the first day of the fourth month following the date of layoff. Employees so covered may continue to receive benefits coverage for a further twelve (12) months by paying to the Company the prevailing group premium rates payable by the Company on the employee's behalf, provided that the employees payment is received by the Company no later than the 20th of each month in which the premiums are due.

Employees will be notified at least two weeks prior to the date of which the first payment is due. Such notice will be considered sufficient if mailed by ordinary mail to the most recent address of the employee recorded with the Company.

(b) Employees on an approved leave of absence due to non-occupational sickness or accident and who are receiving Weekly Indemnity Benefits will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for a period of 52 weeks from the date when the leave of absence begins or for the term of absence, whichever is shorter.

(c) Employees on an approved leave of absence due to non-occupational sickness or accident and who are receiving Long Term Disability Benefits and/or Company Pension Plan Disability Benefits will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the period during which they continue to receive Long Term Disability Benefits, or Company Pension Plan Disability Benefits.

(d) Employees on an approved leave of absence due to occupational injury or disease and who are receiving monthly Workplace Safety & Insurance Board Benefits will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the period during which they continue to receive such Workplace Safety & Insurance Board Benefits.

(e) Employees on leave of absence and extensions granted under Article 10.04 of the Collective Agreement will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the duration of such leave, and extension.

(f) Employees on approved leave of absence to work for Local 1524, granted under Article 10.05 of the Collective Agreement, will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the duration of such leave.

(g) Employees granted a leave of absence and extensions under Article 10.07 (D) of the Collective Agreement will continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the duration of the course of instruction.

(h) Employees granted a leave of absence under Article 10.07 (D) (i) of the Collective Agreement may continue to receive benefits coverage described in 2.01, 2.02 and 2.03 for the duration of the course of instruction, by paying premium costs to the Company in the same manner described in (a) above.

(i) For all other approved leave of absences, except business venture leave of absences, benefits coverage will be provided as in (a) above.

3.07 A probationary employee will become eligible for benefits defined in Part II as of the date he/she attains seniority under the terms of the Collective Agreement, if such seniority date occurs on the first day of a month and in other cases on the first day of the month next following.

#### **PART IV - GENERAL PROVISIONS**



- 4.01 The Company shall have the sole responsibility and authority consistent with the provisions of this plan for its operation and administration.
- 4.02 The Company may enter into a contract or contracts with an Insurer or Insurers to provide all or any of the benefits described herein, and such Insurer will be subject to all the provisions and limitations as set forth in this Insurance Plan. The Company may from time to time amend, terminate, reinstate, and/or substitute any such contract or contracts providing the said schedule of benefits is equal to the negotiated level of benefits.
- 4.03 Every employee, and retired employee shall, when required by the Company, complete any application or questionnaire relating to the number, sex and age of himself/herself and his/her dependents or for exemptions or the facts pertaining to a claim for benefit presented to him/her by an Insurer or the Company.
- 4.04 The Insurer shall issue or cause to be issued a certificate to each employee eligible for benefits which will describe the benefits and privileges provided hereunder by said Insurer.

The employee shall be deemed to accept all the benefits and privileges thus described and all the liabilities and obligations except the liability and obligation to pay the premium, fee, or other regular charge of the Insurer except as otherwise provided and the other terms of this plan, including Part II.

- 4.05 The Company shall have the right, and an employee claiming payment for disability shall afford an opportunity for examination of the employee or his/her dependent by a physician appointed by it, when and as often as it may reasonably require while a claim for benefits is pending.

#### 4.06 Disability Dispute Resolution Process

The Company and the Union wish to see weekly indemnity and long term disability claims processed in a fair and expedient manner. The following provisions will be implemented effective January 1, 1999.

(a) If a dispute shall arise pertaining to this Insurance Plan and such dispute does not involve a difference of opinion between two legally qualified physicians, the dispute shall be handled in the following manner:

(1) the employee, the Union and the Company shall review the matter;

(2) if agreement is not reached at such meeting, the Union may present a grievance commencing at Step III of the Grievance Procedure described in the Collective Agreement and such grievance shall be discussed within five (5) working days from the date the grievance was submitted to the Company; unless it is mutually agreed to extend the period.

(3) if the matter is not resolved at Step III of the Grievance Procedure, the arbitration provisions of the Collective Agreement may be invoked.

(b) If a dispute shall arise involving a difference of opinion between two legally qualified physicians, the dispute shall be handled in the following manner:

1) Notice of Denial or Suspension or while being processed or delayed, of Disability Benefits:

i) The Insurance Carrier will contact an employee's attending physician directly when requiring additional medical information to ensure there is no undue delay in processing claims.

ii) In the event the Company or Insurance Carrier wishes to challenge any claim which meets the basic criteria of being under the active and continuous care of a legally licensed physician and who is following the treatment prescribed by that physician, then it shall pay the claim pending sending the employee to a physician of their choosing.

iii) The Company or Insurance Carrier will provide an employee on disability leave with advance notice of intention to suspend benefits. No suspension of benefits will take place provided the employee is continuing to be treated by a legally licensed physician until the procedure in (2) below has been followed.

iv) The Union's Benefits Representative will receive a copy of all correspondence related to any intended denial, or suspension.

## (2) Dispute Resolution Process

Where there is a dispute between two (2) physicians on the ability of the employee to return to work, the dispute shall be handled in the following manner:

i) The employee shall continue on disability claim during the period of dispute to a maximum of four (4) weeks.

ii) The Company will instruct the carrier to provide the physicians with a physical demands analysis. The physicians will be asked to discuss the case by phone to see if there is agreement.

iii) If the physicians still disagree, the Union and the Company shall review the matter and refer to a predetermined examiner (i.e. general practitioner, specialist) for a third party independent medical examination (IME). The IME shall be binding.

iv) The Company will give the employee 72 hours advance written or verbal notice of the scheduled third-party examination.

c) Conditions in the Dispute Resolution Process

During the Dispute Resolution Process as described in Section (2) above, the following will apply:

- i) The examination report (both verbal and written) will include a statement of “able to work”, “not able to work” or “able to work with restrictions”.
  - ii) The written notification of results to the employee determined to be “able to work” or “able to work with restrictions” will include instructions to report to the plant physician to inform him/her of the employee’s status.
- d) Termination of Disability Benefits

Where the employee has completed the Dispute Resolution Process as described above and it is determined that the employee is “able to return to work”, disability benefits shall terminate as of the date of the examination or if later, the date the results are made available to the employee.

- e) Modified Work

The availability of modified work will not be a factor in terminating an employee’s disability claim. If the employee is able to return to work with restrictions but such work is not available or the employee does not have the seniority to qualify for the position, the employee will remain on disability.

- f) Cost of Medical Note

Where the Company or the Insurance Carrier requires a medical note, including but not limited to a third party IME, the Company shall cover the cost of the note.

If the employee must travel more than 20 kilometers (one way) for a medical examination required by the Company or the carrier, the Company shall reimburse the employee at the rate of twenty-six cents (\$0.26) per kilometer.

- 4.07 The establishment of this plan shall not give any employee any additional right to be retained in the employment of the Company; and each employee shall remain subject to discipline, discharge or layoff to the same extent as if such plan had not been put into effect.
- 4.08 The plan is subject to such amendment from time to time as may be necessary to meet the requirements of any applicable federal or provincial laws, orders or regulations, and the relevant provisions of the Insurance Act of Ontario shall be deemed to apply except to the extent that such provisions may be waived or are superseded by the express provisions of this plan. Any changes pertaining to this sub-section will be discussed with the Union prior to implementation.
- 4.09 Payment of claims shall be made with due regard to the times and manner in which payments of claims of the types provided in this plan are customarily paid in Ontario. Any notice or payment directed to an employee shall be deemed to be properly delivered or tendered when mailed,

postage prepaid, to the most recent address of the employee shown upon the records of the Company.

- 4.10 To assist the Insurer in the proper adjudication and processing of claims, the Company and/or the Insurer may establish claims control procedures. Such procedures will be meaningfully discussed with the Union prior to adoption.

## **PART V - TERM OF PLAN**

- 5.01 The Company has entered into this plan on condition that the whole of the premiums, costs and expenses it incurs in fulfillment hereof shall be and shall continue to be allowed by government tax authorities as a proper deduction in computing income taxable under the provisions of The Income Tax Act or any other applicable tax laws now in effect or as hereafter amended or adopted. In the event the relevant government tax authorities refuse to allow such deduction or withdraw their approval of such deduction, this plan shall terminate on the effective date of such refusal or withdrawal or upon the expiration of thirty days after the Company shall first have been advised by such tax authorities of such refusal or withdrawal of approval, whichever is later. During such thirty day period, the parties will meet for the purpose of negotiating any modification or changes required in order to obtain such approval of such tax authorities, provided, however, the Company during such thirty day period shall not be required to pay premiums, costs or expenses arising out of this plan which it is not entitled to deduct as an expense before taxes under the provisions of the Income Tax Act and any other applicable tax laws now in effect or hereafter amended or adopted, any payment of benefits shall be discontinued to a like extent.
- 5.02 If at any time hereafter a federal or provincial government passes legislation which directly or indirectly has the effect of providing benefits similar to one or more of the benefits described in the plan for which the employees as a class shall be eligible, or the benefits provided under the Ontario Health Insurance Commission for Ontario Health Insurance Plan coverage for residents of Ontario as published at the date hereof by changed, this plan shall automatically be revised for the purpose of integrating any federal or provincial government plan with this plan upon the expiration of thirty (30) days after the proclamation of such statute or change or on the date such statute or change comes into effect, whichever is later.

During such thirty day period or such longer period as may reasonably be required to carry out such integration, the Company will take such steps as may be necessary or desirable to terminate any duplication of benefits and to assure that the aggregate of the statutory benefits so provided and the benefits provided under the plan shall approximate in kind and money value the benefits provided under the plan before said statutory enactment or change providing this can be done without additional cost to the Company.

- 5.03 If at any time it shall be necessary or appropriate to make any revision of this plan pursuant to Section 5.01 of this Part, the Company may make such provisions retroactively or otherwise with the consent of the Union. The making of such revision shall be the subject of immediate negotiation between the Company and the Union. In such negotiations the Company and the Union shall recognize that the Collective Bargaining Agreement then in effect was executed in the expectation that the Insurance Plan, or one with substantially equivalent benefits, without

additional cost to the Company, would be and remain in effect during the term of this plan and of any renewal thereof theretofore made.

5.04 This plan constitutes a full settlement of all demands of the Union for Life Insurance, Optional Group Life Insurance, Accidental Death and Dismemberment Insurance, Transition and Bridge Benefits, Semi-Private Hospital Care, Weekly Indemnity Benefits, Extended Disability Benefits, and Extended Health Care Benefits including a Drug Plan, Audio/Visual Care and Dental Plan, Legal Services Plan, and a Pay Continuation Benefit Plan, Supplemental Unemployment Benefit Plan and a Severance Pay Benefits Plan for the duration of this plan and during the term hereof or any renewal hereof.

5.05 Subject to the foregoing, this plan shall continue in full force and effect in respect of all benefits, at least until the 31st day of December, **2010**. If no notice be given as provided in the following paragraph, then this plan shall be extended from year to year thereafter. The last day of the original period or of any extended period being referred to as the termination date.

5.06 Either the Union or the Company may give to the other a written notice of its desire to modify or intention to terminate this plan at least sixty days prior to the termination date. In such event, negotiations will commence forty-five days prior to the termination date unless otherwise mutually agreed. The termination of this plan shall not have the effect of automatically discontinuing the payment of benefits insofar as it affects the benefits payable with respect to disabilities which were suffered or incurred prior to the date of termination.

## **PART VI - LEGAL SERVICE PLAN**

A Legal Service Plan to be jointly administered as part of the existing C.A.W. legal service plan in effect with General Motors of Canada and funded at the rate of \$0.09 per straight time hour worked effective January 1, 1991.

## **PART VII PROVISION FOR COORDINATION OF BENEFITS UNDER THIS POLICY WITH OTHER BENEFITS**

7.01 (a) **Benefits Subject to this Provision:**

All of the benefits provided under this Appendix "A" are subject to this provision.

(b) **Definitions:**

(1) "Plan" means any plan providing benefits or services for or by reason of medical or dental care or treatment, which benefits or services are provided by (i) group insurance or any other arrangement of coverage for individuals in a group whether on an insured or uninsured basis, or (ii) hospital service or hospital expense indemnity organizations, medical service or medical expense indemnity organizations, medical service or medical expense indemnity organizations or any

other pre-payment coverage, or (iii) any coverage for students which is sponsored by, or provided through, a school or other educational institution.

The term "Plan" shall be construed separately with respect to each policy, contract or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other plans into consideration in determining its benefits and that portion which does not.

(2) "This Plan" means those portions of this policy which provides the benefits that are subject to this provision.

(3) "Allowable Expense" means any necessary, reasonable, and customary item of expense at least a portion of which is covered under at least one of the plans covering the person for whom claim is made.

When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an allowable expense and a benefit paid.

(4) "Claim Determination Period" means calendar year, but if a person is not eligible for benefits under this plan during all of a calendar year, then the Claim Determination Period for such person as to that year shall be the total period thereof during which he/she was eligible for benefits.

**(c) Effect on Benefits:**

(1) This provision shall apply in determining the benefits as to a person covered under this plan for any Claim Determination Period if, for the allowable expenses incurred as to such person during such Claim Determination Period, the sum of

(i) the benefits that would be payable under this plan in the absence of this provision, and

(ii) the benefits that would be payable under all other plans in the absence therein of provisions of similar purpose to this provision, would exceed such allowable expenses.

(2) As to any Claim Determination Period with respect to which this provision is applicable, the benefits that would be payable under this plan in the absence of this provision for the allowable expense incurred as to such person during such Claim Determination Period shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such allowable expenses under all other plans, except as provided in Item (3) of this Section C, shall not exceed the total of such allowable expenses. Benefits payable

under another plan include the benefits that would have been payable had claim been duly made therefore.

(3) if -

(i) another plan which is involved in Item (2) of this Section C and which contains a provision coordinating its benefits with those of this plan would, according to its rules, determine its benefits after the benefits of the plan have been determined, and:

(ii) the rules set forth in Item (4) of this Section C would require this plan to determine its benefits before such other plan, then the benefits of such other plan will be ignored for the purposes of determining the benefits under this plan.

(4) For the purpose of Item (3) of this Section C, the rules establishing the order of benefit determination are:

(i) a plan which covers a person other than as a dependent is deemed to pay its benefits before a plan which covers such person as a dependent;

(ii) a plan which covers a person as a dependent of an insured employee with the earlier day and month of birth in the calendar year is deemed to pay its benefits before a plan which covers that person as a dependent of an insured person with the later day and month of birth:

(iii) when rules (i) and (ii) do not establish an order of benefit determination, the benefits of a plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a plan which has covered such person the shorter period of time.

(5) When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this plan during any Claim Determination period, each benefit that would be payable in the absence of this provision shall be reduced proportionately, and such reduced amount shall be charged against any applicable benefit limit of this plan.

#### **d) Right to Receive and Release Necessary Information**

For the purposes of determining the applicability of and implementing the terms of this provision of this plan or any provision of similar purpose of any other plan, the insurance company may, without the consent of or notice to any person, release to or obtain from any other insurance company or other organization or person, any information with respect to any person which the insurance company deems to be necessary for such purpose. Any person claiming benefits

under this plan shall furnish to the insurance company such information as may be necessary to implement this provision.

**e) Facility of Payment**

Whenever payments which should have been made under this plan in accordance with this provision have been made under any other plans, the insurance company shall have the right, exercisable alone and in its sole discretion, to pay over to any organization making such payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision, and amounts so paid shall be deemed to be benefits paid under the plan and, to the extent of such payments, the insurance company shall be fully discharged from liability under this plan.

**f) Right of Recovery**

Whenever payments have been made by the insurance company with respect to allowable expenses in a total amount which is, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, the insurance company shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as the insurance company shall determine; any persons to or for or with respect to whom such payments were made, any other insurance companies, any other organizations.

**PART VIII**

**EMPLOYEE AND DEPENDENT INSURANCE EXTENDED HEALTH CARE**

**8.01 Description of Benefit**

Reimbursement for 100% of expenses with no deductible for eligible services, substances, and appliances described below.

The benefits available through the Extended Health Care include the following:

- (a) The services of a Graduate Registered Nurse, currently registered with the appropriate Nursing Association, for that period of time recommended by the attending physician, provided the nurse is not an employee of the institution wherein the participant is confined, is not normally a resident in the participant's home or related to the participant by blood or marriage. The services of a Graduate Registered Nurse will be utilized in 4 (four) hour increments.
- (b) Blood and blood products when required for transfusions.
- (c) Prosthetic appliances and durable medical equipment, including artificial arms, legs, eyes, ears, noses, larynxes, prosthetic lenses (for people lacking an organic lens or following cataract surgery); aniseikonic lenses, above or below knee or elbow prosthesis; external cardiac pacemakers; terminal devices, such as a hand or hook whether or not an artificial limb is required.



Rigid or semi-rigid supporting devices (such as braces for the legs, arms, neck or back), splints, trusses; and appliances essential to the effective use of an artificial limb or corrective brace.

Colostomy and ileostomy supplies, catheterization equipment, external breast prosthesis (including surgical brassieres), custom-made boots or shoes or adjustments to stock item footwear. The purchase of a hairpiece for loss due to Alopecia Areata to a maximum of \$500.00 every 12 months. The purchase of a hairpiece for loss due to Radiation or Chemotherapy treatment programs for cancer patients to a maximum of \$500.00 per illness.

Rental of durable medical equipment such as hospital beds (with or without mattresses), rails, cradles and trapezes; crutches, canes, patient lifts, walkers and wheel chairs, bedpans, commodes, portable toilet, urinals - if patient is bed confined; oxygen sets and respirators; (if the prescription is for oxygen, the prescriber must indicate how it is to be administered and what apparatus is to be used).

Decubitus (ulcer) care equipment; dialysis equipment, dry heat, and ice application devices; I.V. stands, intermittent pressure units, neuromuscular stimulants, sitz baths, traction equipment, vaporizers and standard whirlpool baths. Bandages or surgical dressings, radium and radioactive isotope treatments, glucometer for patients with diabetes, the purchase of insulin pumps and/or supplies to a maximum of \$800.00 every 5 years, when authorized in writing, by patient's attending physician.

In lieu of rental, the Insurer may substitute at its discretion, charges for the purchase of repair of such articles.

(d) The services of a Licensed Dental Practitioner for necessary dental treatment for the restoration of the area damaged as a result of an accident which occurred when this Agreement was in force including not more than one set of artificial teeth when natural teeth have been damaged (not including periodontia or orthodontia treatment or the repair or replacement of artificial teeth); provided the treatment is commenced within 180 days of the accident; and provided the Insurer shall not be liable for any services performed after the 730th day following the accident or after this Agreement has been terminated for the participant, whichever date shall be the earlier.

(e) Emergency transportation, when ordered by a licensed medical practitioner, and required as the result of an accident or acute physical disability, by professional ambulance, or where such is not accessible, by railroad, scheduled boat service or, in acute emergency, by air ambulance (but not by any conveyance not normally for hire) to the nearest hospital equipped to provide the required and recommended treatment; the Insurer's liability for such expenses not to exceed \$100.00 for any one disability and shall not include that portion of such charge which is a benefit under the health care or hospitalization plan of any government.

- (f) Accommodation in emergency when as the result of an accident or acute physical disability suffered by a participant, and when ordered by a licensed medical practitioner, it is necessary for the afflicted participant to procure accommodation away from home but in the area where the accident or acute physical disability took place; such accommodation to be in a hotel, public house, motor hotel or tourist home but not in any case a private home; the Insurer's liability for such expense not to exceed \$50.00 per day or \$400.00 in the aggregate for any one disability.
- (g) Private room in hospital, when such accommodation is provided in a public general hospital; the Insurer's liability for such expense shall be the difference in cost between semi-private accommodation and a private room (but not a suite); the Insurer's maximum liability for such expense shall not exceed \$1,000.00 per participant during the lifetime of the participant. If a private room is medically necessary or prescribed by a Doctor, it will be covered as an exception.
- (h) The services of a Registered or a Licensed Physiotherapist, but only when a certificate by a licensed medical practitioner is provided indicating that such treatment is necessary.
- (i) The services of a Registered Clinical Psychologist or a counselor with an M.S.W. (Master in Social Work) up to \$50.00 for the first visit and \$35.00 per hour for subsequent treatments to a maximum of \$500.00 per person during a benefit year.
- (j) The services of a Registered Masseur up to \$25.00 per treatment for not more than 12 treatments per benefit year per participant, but only when a certificate by a licensed medical practitioner is provided indicating that such treatment is necessary.
- (k) The services of a Qualified Speech Therapist up to \$600.00 per benefit year per person, but only when a certificate by a licensed medical practitioner is provided indicating that such treatment is necessary.
- (l) Services of a Registered Chiropractor, Osteopath, Podiatrist or Chiropodist - maximum of \$500.00 per person during a benefit year. Osteopath, Podiatrist or Chiropodist – maximum of \$600.00 effective January 1, 2007.
- (m) Services of an acupuncturist to a maximum of \$350.00 per participant per benefit year.
- (n) Services of a naturopath and a dietitian to a maximum of \$400.00 per person per benefit year.
- (o) Out-of-Province will provide reimbursement for out-of-province hospital, surgical and medical expenses as follows:

(i) Hospital services in a public general hospital outside of the province of residence of the patient when the fees for such services are in excess of the amounts allowed by the Provincial Government Health Plan in the province of which the patient is a resident.

(ii) Medical - surgical expenses for services of a legally qualified physician or surgeon rendered outside of the province of residence of the patient when the fees for such services are in excess of the amounts allowed by the Provincial Government Health Plan in the province of which the patient is a resident.

## 8.02 Emergency Travel Assistance

This program is an enhancement to the extended health care benefit above which provides emergency medical assistance while traveling outside Canada. It provides for:

- guarantee of payment of emergency medical charges in excess of \$200.00. Charges of less than \$200.00 are to be paid by the employee and then submitted as any other extended health care claim, when you return
- payment of expenses related to return of dependent children (maximum \$1500.00) or traveling companion; visit of a family member (maximum \$1500.00); vehicle return (maximum \$1000.00); repatriation (maximum \$5000.00)
- assistance with locating medical facilities, arranging for admission to hospital, or legal referral assistance

Coverage is provided while traveling during the first 60 days of any trip.

## 8.03 Limitations

Expenses will not be paid in respect of:

- a) Injuries or sickness for which benefits are payable under any Workplace Safety & Insurance Act;
- b) Injury or sickness resulting from war or from engaging in a riot;
- c) Treatment in a government hospital which is paid for by government funds or Department of Veteran's Affairs pension entitlement;
- d) Any service for which the individual is not required to pay.

Each benefit has a maximum limit specified in the contract with the Insurer. Although some limits have been included in this summary for convenience, the Insurer's contract must be consulted for actual limits or maximums for each benefit and such maximum or limits shall be equivalent to those available under the Greenshield T4 Plan.

## **PART IX**

### **PRESCRIPTION DRUG PLAN**

#### **9.01 Definitions**

- (a) "Dependent" means a person as defined in part 1.01 (h) of this Insurance Plan.
- (b) "Drug" means a drug as defined by The Pharmacy Act (Ontario) and "medicine" shall have a like meaning.
- (c) Effective April 01, 2005, only those drugs recognized in the General Motors Formulary will be eligible for compensation.

#### **9.02 Benefits**

Where a subscriber or dependent purchases for his/her own use at a pharmacy or from a physician or from a hospital on the prescription of his/her attending physician drugs or medicines (other than proprietary or patent medicines as defined in the Proprietary or Patent Medicines Act, Canada) the Insurer will pay for the same provided there is furnished to the Insurer the prescription number and the vendor's receipt for payment, and authority is given to the Insurer to inspect the prescription.

#### **9.03 Exclusions**

- (a) Notwithstanding anything herein contained no benefit listed in this agreement shall be available to the subscriber or his/her dependent if he/she is entitled to receive it from the Hospital Services Commission of Ontario, the Workplace Safety & Insurance Board of Ontario or any other agency of Her Majesty, the Queen, or department of the public service or Government of Canada or of any province of Canada or municipal corporation in Canada regardless of whether or not the subscriber has or has not contributed toward providing himself/herself or his/her dependent with such benefits.
- (b) Notwithstanding anything herein contained, this contract does not include prescriptions issued by Optometrists, Chiropodists, Podiatrist, Chiropractors, Osteopaths, or any person other than a legally qualified medical practitioner or dentist.
- (c) Effective April 01, 2005 Over-The-Counter drugs will not be eligible for compensation.

#### **9.04 Deductions**

- (a) **\$2.00 per prescription.**
- (b) Effective April 01, 2005, the dispensing fee will be capped at \$9.00 per prescription.

#### **9.05 Disclosure of Information**

It is a condition of this agreement that any hospital, nurse or physician having any information regarding any diagnosis or treatment of any medical, surgical or hospital service rendered to a subscriber or his/her dependent either before or after the date hereof shall furnish the same to the Insurer on request by it and that it may have access to and may make copies of all records relating to such matters and it may use and permit others to use such information and any information of that character in its own possession for statistical, actuarial, scientific or any other reasonable purpose unless otherwise provided by law.

#### **9.06 Term of the Agreement and Right of Termination**

This agreement shall remain in force from year to year from the date hereof, but it may be canceled, or the current rates may be changed, or new terms and conditions may be added, or those herein set out may be amended if the Insurer gives the group notice in writing to that effect thirty days prior to the anniversary date of this agreement, such notice to be sent by registered post, addressed to the group at Kitchener, Ontario, Canada.

9.07 In the event of cancellation of this contract as set out in 9.06 above, benefits under this contract shall cease for everyone covered under it as of midnight on the last day for which the current rates payable under the contract have been made and accepted by the Insurer.

#### **9.08 Rules and Regulations**

The Insurer may, from time to time, adopt such rules and regulations as are reasonably necessary to facilitate the providing of the benefits hereunder.

#### **9.09 Provincial Drug Benefit Program**

In respect to prescription drug coverage for employees, retired employees, surviving spouses and their dependents who are age 65 or older.

Prescription drug benefits for Canadian residents who are age 65 or older are available without cost to the individual under the various Provincial Drug Benefit Programs. It is understood that Canadian residents age 65 or older who are eligible for prescription drug coverage under the Company Insurance Plan are required to present their prescriptions for dispensing under the various Provincial Drug Benefit Programs. Benefits shall continue to be provided for covered prescription drug expenses under the Company Insurance Plan, in accordance with 9.04, to the extent that benefit coverage for such expenses is not available under the various Provincial Drug Benefit Programs.

### **PART X**

## DENTAL PLAN

### 10.01 Covered Dental Expenses

Covered dental expenses are the lesser of the reasonable and customary charges of a dentist or the Ontario Dental Association Schedule of Fees in effect for **2006** for expenses incurred in **2007** (or in effect for **2007** for expenses incurred in **2008**) (or in effect for **2008** for expenses incurred in **2009**) (or in effect for **2009** for expenses incurred in **2010**) required to pay for services and supplies which are necessary for treatment of a dental condition, as herein set forth, for services and supplies customarily employed for treatment of that condition and only if rendered in accordance with accepted standards of dental practice. Such expenses shall be only those incurred in connection with the following dental services which are performed by a licensed dentist and which are received while insurance is in force. Effective January 01, 2005, the Basic Coverage is capped at \$2250 annually.

- ( 1) Examinations
- ( 2) Consultations
- ( 3) Diagnostic Procedures
- ( 4) Diagnostic X-Rays
- ( 5) Scaling & Polishing
- ( 6) Fluoride Treatments
- ( 7) Fillings
- ( 8) Extractions
- ( 9) Anesthesia Services
- (10) Periodontal Services
- (11) Endodontic Services
- (12) Surgical Services
- (13) Denture Adjustments, Repairs, Rebasing and/or Relining
- (14) Space Maintainers
- (15) Prosthodontic Services - Removable
- (16) Orthodontic Services (50% paid benefit with a \$2,050.00 lifetime maximum per person).
- (17) Initial installation of fixed bridgework (including inlays and crowns as abutments).

Replacement of inlays and crowns.

Replacement of existing fixed bridgework by new bridgework or addition to existing bridgework but only if satisfactory evidence is presented that:

- (i) the replacement or addition is required to replace one or more teeth extracted after the existing bridgework was installed or
- (ii) the existing bridgework cannot be made serviceable and if it was installed at least five (5) years prior to its' replacement.

Expenses shall be paid at 50% with a \$1,500.00 life time maximum per person.

## 10.02 DENTAL CARE PROCEDURE CODES

The procedure codes for services covered under this Plan are based on the Canadian Dental Association Procedure Codes. An up to date listing of eligible codes is available through personnel or the CAW Benefits Representative.

10.03 Services and supplies, in the case of each dental expense, but must have been rendered and dispensed by a legally qualified dentist except that;

- (a) cleaning or scaling of teeth may be performed by a licensed dental hygienist or such treatment is rendered under the supervision and direction of such dentist, and
- (b) rebasing and relining of dentures may be made by a dental mechanic or denturist legally practicing within the scope of his/her license, but any charges in excess of the amount specified for such services and supplies in the dental mechanics' or denturists' tariff of the province where such services and supplies are received will be disregarded.

10.04 Dental expenses do not include and no benefits are payable for:

- (a) procedures not listed in the Canadian Dental Association Procedure Codes described in 10.02 above;
- (b) charges for any dental procedure which is included under any other medical plan provided by any employer or governmental agency;
- (c) services and supplies that are partially or wholly cosmetic in nature, except those required for prompt repair of a non-occupational injury;
- (d) supplies which were first prescribed or recommended prior to the date on which the individual became insured hereunder;
- (e) any hospital charges for board and room and other necessary services and supplies, in connection with injuries or diseases of a dental nature;
- (f) charges for completion of claims forms;
- (g) charges for protective athletic appliances;
- (h) charges for appointments broken without notice;
- (i) any dental services and supplies provided and paid for under any other benefit plan provided by the Company;
- (j) charges for replacement of lost, stolen or missing dentures or for providing duplicate dentures.

10.05 Limitations re: Prosthodontic Services include:

(a) Partial Dentures:

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the cost of such precision appliance will be made toward a more elaborate or precision appliance that the patient and dentist may choose to use in accordance with Article 10.01 (17) and the balance of the cost remains the responsibility of the patient.

(b) Complete Dentures:

If, in the provision of complete denture services, the patient, dentist or licensed denture therapist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the cost of the standard denture service will be made toward such treatment and the balance of the cost remains the responsibility of the patient.

(c) Replacement of Existing Denture:

If, in the replacement of an existing partial or full removable denture or the addition of teeth to an existing partial removable denture, the patient, dentist or licensed denture therapist decide on service which is a departure from standard procedures, payment of the cost of the standard dental service will be made toward such treatment and the balance of the cost remains the responsibility of the patient provided that all such replacements are contingent on the presentation of satisfactory evidence that:

- (i) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture was installed; or
- (ii) the existing denture cannot be made serviceable and, if it was installed under this dental expense benefit program, at least five (5) years have elapsed prior to its replacement; or
- (iii) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months for the initial installation of the immediate temporary denture.



**LEAR CANADA  
KITCHENER PLANT**

**SUPPLEMENTAL UNEMPLOYMENT  
BENEFIT PLAN  
AUTOMATIC SHORT WEEK  
BENEFIT PLAN  
INSURED UNEMPLOYMENT DISABILITY  
BENEFIT PLAN**

**Exhibit "B" of the Collective Agreement**

between

**Lear Canada**

and

**National Automobile  
Aerospace, *Transportation and General*  
Workers of Canada (C.A.W)**

and its

**Local Union #1524**

**January 01, 2007**

## INDEX

### S.U.B. PLAN - Exhibit "B"

Part A Agreement

Part B Supplemental Unemployment Benefit Plan

- Article 1 - Eligibility for Benefits
- Article 2 - Amount of Regular Benefits
- Article 3 - Credit Units & Duration of Benefits
- Article 4 - Application, Determination of Eligibility & Appeal Procedure
- Article 5 - Administration of The Plan
- Article 6 - Financial Provisions & Reports
- Article 7 - Miscellaneous
- Article 8 - Definitions

Part C Automatic Short Week Benefit Plan

- Section 1 - Eligibility
- Section 2 - Benefit Amount
- Section 3-8(inclusive) General Provisions
- Section 9 - Definitions

Part D Insured Supplemental Unemployment Disability Plan

- Section 1 - Definitions
- Section 2 - Benefits
- Section 2.01 - Eligibility for Benefits
- Section 2.02 - Amount of Benefit
- Section 2.03 - Maximum Benefit
- Section 3 - Contributions
- Section 4 - Amendment and Termination

Part E Termination Pay Benefits

### SEVERANCE PAY BENEFITS - Exhibit "D"

Agreement  
Severance Pay Plan

**AGREEMENT CONCERNING**

**SUPPLEMENTAL**  
**UNEMPLOYMENT BENEFIT PLAN,**

**THE AUTOMATIC SHORT WEEK**  
**BENEFIT PLAN**

**AND THE INSURED SUPPLEMENTAL**  
**UNEMPLOYMENT DISABILITY PLAN**

This Agreement made at Kitchener, Ontario this **10th** day of **November, 2006**.

BETWEEN:

LEAR CANADA.  
KITCHENER PLANT

hereinafter called the "Company"

- and -

NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL  
WORKERS  
OF CANADA (CAW) AND ITS LOCAL UNION  
NO. 1524,

hereinafter collectively called the "Union".

WITNESSETH:

The parties hereto agree as follows:

**PART A**

1.01 Continuation and Amendment of the Plan

(a) This Agreement covering the Supplemental Unemployment Benefit Plan attached as Part B, the Automatic Short Week Benefit Plan attached as Part C, and the Insured Supplemental Unemployment Disability Benefit Plan attached as Part D, hereinafter referred to as the Supplemental Unemployment Benefit Plan, the Automatic Short Week Benefit Plan, and the Insured Supplemental Unemployment Disability Plan, shall become effective on January 1, **2007**.

(b) The Company shall maintain the Plans for the duration of this Agreement, except as otherwise provided in, and subject to the terms of, the Plans.

(c) The fiscal year of the Plans and of the Fund shall be the calendar year ending on the 31st day of December in each year.

#### 1.02 Termination of the Supplemental Unemployment Benefit Plan Prior to Expiration Date.

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement the monies in the fund shall be used for payments and administrative costs associated with the plan. If any monies remain they will revert to the Company and be utilized in a manner acceptable to the parties.

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company's obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of 60 days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan. If no agreement with respect thereto shall be reached at the end of such period, there shall be a general wage increase of \$.28 per hour if the Plan is terminated in 2005 or after, to all hourly rated employees then in the Bargaining Units for which the Union is the exclusive bargaining agent.

#### 1.03 Obligations During Term of This Agreement

(a) During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from or addition to the Supplemental Unemployment Benefit Plan, the Automatic Short Week Benefit Plan, the Insured Supplemental Unemployment Disability Benefit Plan or this Agreement, or be required to bargain with respect to any provision or interpretation of such Plans or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of such Plans or this Agreement nor any dispute or difference arising in any negotiations pursuant to Section 1.02 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

(b) Upon the Plans becoming effective all employees will be advised promptly in writing of the terms of the Plans and all persons who later become employees will be advised promptly in writing of the terms of the Plans. All employees will be advised periodically of their contingently accrued credits or will be given access to such information on request.

#### 1.04 Term of Agreement; Notice to Modify or Terminate

This Agreement and the Plans shall continue in effect until December 31, **2010**. They shall be renewed automatically for successive 1 year periods thereafter unless either party shall give written notice to the other at least 2 months prior to December 31, **2010** (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plans as of one of the dates specified in this section (it being understood, however, that the foregoing provision for automatic 1 year renewal periods shall not be

construed as an endorsement by either party of the proposition that 1 year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plans shall be open to modification or amendment on December 31, **2010**, or the subsequent anniversary date, as the case may be. If either party shall desire to terminate this Agreement, it may do so on December 31, **2010**, or any subsequent anniversary date by giving written notice to the other party at least 2 months prior to the date involved. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plans.

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to the President of the National Automobile, Aerospace and General Workers of Canada (CAW), 205 Placer Court, North York, Ontario, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, to the Manager of Industrial Relations, Lear Canada, Kitchener Plant, 530 Manitou Drive, Kitchener, Ontario, or to such other address as the Company shall furnish to the Union in writing.

#### 1.05 Governmental Rulings

(a) The Plans shall not be effective prior to receipt by the Company of rulings from Canadian governmental authorities or legislative amendments permitting supplementation as defined in the Plans and prior to receipt by the Company from the appropriate governmental authorities of a ruling, satisfactory to the Company, holding that the Plans are acceptable as a Supplemental Unemployment Benefit Plan under the provisions of government legislation.

(b) The Company shall apply promptly for the rulings described in Section 1.05 (a).

(c) Notwithstanding any other provision of this Agreement or of the Plans, the Company, with the consent of the Union, may, during the terms of this Agreement, make revisions in the Plans not inconsistent with the purposes, structures, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Section 1.05 (a) of this Agreement or in Section 7.02 of the Supplemental Unemployment Benefit Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in the Plans.

#### 1.06 Miscellaneous

Notwithstanding the provisions of the Supplemental Unemployment Benefit Plan, the provisions of Article 4, Application and Determination of Eligibility for Regular Benefits and Appeal Procedures, and Article 5, Administration of the Plan, shall, to the extent practicable, be equally applicable under the Automatic Short Week Benefit Plan, and the Insured Supplemental Disability Benefit Plan.

1.07 This Agreement shall become operative on January 1, **2007**.

In witness whereof, this Agreement is executed on behalf of each party by its duly authorized representatives on the date first appearing above.

LEAR CANADA.

By

Rick VanHeukelom  
Scott French  
Keith Lock  
Joel Hauck  
Michael Thibodeau  
Fred Murovec  
Zachary Oliveira  
Keith Drimmie

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS OF  
CANADA (CAW) AND ITS LOCAL UNION #1524

by

Jim Woods	(Plant Chairperson)
Tim Mitchell	(Committeeperson)
Brian Little	(Committeeperson)
Scott Plant	(Committeeperson)
Jim Trask	(Committeeperson)
Brian Kropf	(Benefit Rep.)
John Willcocks	(WSIB/EAP Re.)
Dave Bailey	(President)
Bob Orr	(National Rep. C.A.W.)

## **PART B**

### **SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN**

#### **ARTICLE 1**

##### **ELIGIBILITY FOR BENEFITS**

###### 1.01 Eligibility for a Regular Benefit

An employee shall be eligible for a Regular Benefit for any week beginning on or after January 1, **2007**, if with respect to such week he/she:

- (a) was on a qualifying layoff, as described in Section 1.02, for all or part of the week; or
- (b) received an Employment Insurance Benefit; or was ineligible for an Employment Insurance Benefit only for one or more of the following reasons:
  - (i) the employee did not have prior to layoff a sufficient period of employment or sufficient earnings, covered by Employment Insurance;
  - (ii) exhaustion of his/her Employment Insurance Benefits rights;
  - (iii) the week was an Employment Insurance "waiting period" immediately following a week for which he/she received an Employment Insurance Benefit or occurring within less than 52 weeks since his/her last Employment Insurance "waiting period";
  - (iv) he/she was serving an Employment Insurance "waiting period" while temporarily laid off out of line of seniority pending an adjustment of work force in accordance with the terms of the Collective Agreement; provided, however, that this Section 1.01 (b) (iv) shall not apply to model change, plant rearrangement or inventory layoffs;
  - (v) he/she was serving the second week of an Employment Insurance "waiting period", except as expressly covered in 1.01 (b) (iii) above;
- (c) has met any registration and reporting requirements of an employment office of the Employment Insurance Commission;
- (d) had to his/her credit a Credit Unit or fraction thereof;
- (e) did not receive an unemployment benefit under any contract or program of another employer (and was not eligible for such benefit under a contract or program of another employer with whom he/she had greater seniority than with the Company);

- (f) was not eligible for an Automatic Short Week Benefit;
- (g) qualified for a Regular Benefit of at least \$2.00; and
- (h) has made a Regular Benefit application in accordance with procedures established by the Company hereunder and, if he/she was ineligible for an Employment Insurance Benefit only for the reason set forth in Section 1.01 (b) (ii), is able to work, is available for work, and has not failed; (i) to maintain an active registration for work with the government employment service; (ii) to do what a reasonable person would do to obtain work, and (iii) to apply for or to accept available suitable work of which he/she has been notified by the government employment service or by the Company.

#### 1.02 Conditions with Respect to Layoff

- (a) A layoff for purposes of the Plan includes any layoff resulting from a reduction in the work force or temporary layoff or model change layoff, including a layoff resulting from the discontinuance of a plant or an operation, and any layoff occurring or continuing because the employee was unable to do the work offered by the Company although able to perform other work in the plant to which he/she would have been entitled if he/she had sufficient seniority.
- (b) An employee's layoff for all or part of any week shall be deemed qualifying for Plan purposes only if:
  - (i) such layoff was from the Bargaining Unit;
  - (ii) such layoff was not for disciplinary reasons, and was not a consequence of:
    - (1) any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action, at a Company plant or plants, or any disputes of any kind involving employees, whether at a Company plant or plants or elsewhere.
    - (2) any fault attributable to the employee,
    - (3) any war or hostile act of a foreign power (but not government regulations or controls connected therewith),
    - (4) sabotage or insurrection, or
    - (5) any act of God; provided, however, that this Section 1.02 (b) (ii) (5) shall not apply to the first 2 weeks of layoff resulting from such cause;
  - (iii) with respect to such week the employee did not refuse to accept work offered by the Company which he/she had no option to refuse under the provisions of the Collective Agreement;



- (iv) with respect to such week the employee was not eligible for, and was not claiming:
  - (1) any statutory or Company accident or sickness or any other disability benefit (except a benefit which he/she received or could have received while working full time), or
  - (2) any Company pension or retirement benefit; and
- (v) with respect to such week the employee was not in military service or on a military leave.

- (c) If an employee is ineligible for a benefit by reason of Section 1.02 (b) (ii) or Section 1.02 (b) (iii) with respect to some but not all of his/her regular work days in a week, and is otherwise eligible for a benefit, he/she shall be entitled to a reduced benefit payment as provided in Section 2.01 (b).

#### 1.03 Appeal From Denial of Employment Insurance Benefit

- (a) With respect to any week for which an employee has applied for a benefit and for which he/she has been denied an Employment Insurance Benefit, and the denial is being protested by the employee through the procedure provided therefor under Employment Insurance, and the employee is eligible to receive a benefit under the Plan except for such denial, the payment of such benefit shall be suspended until such dispute shall have been determined.
- (b) If the dispute shall be finally determined in favour of the employee, the benefit shall be paid to him/her if he/she had not exhausted Credit Units subsequent to the week to which the Employment Insurance Benefit in dispute is applicable.

1.04 An employee shall have no vested right to benefits under this plan except if all eligibility conditions are met.

## **ARTICLE 2**

### **AMOUNT OF REGULAR BENEFITS**

#### 2.01 Regular Benefits

- (a) The Regular Benefit payable to an eligible employee for any week beginning on or after January 1, **2007**, shall be the lesser of:
  - (i) an amount which, when added to his/her Employment Insurance Benefit and Other Compensation, will equal 75% of his/her weekly straight-time pay, or
  - (ii) \$125.00 for layoffs occurring on or after January 1, **2007**. For layoffs occurring on or after January 1, **2007** for any week with respect to which the employee is not receiving

an Employment Insurance Benefit because of a reason listed in 1.01 (b), the benefit will be \$200.00.

- (b) An otherwise eligible employee entitled to a benefit reduced because of ineligibility with respect to part of the week, as provided in Section 1.02 (c) (reason for layoff or eligibility for a disability, pension or retirement benefit), will receive 1/5 of a Regular Benefit computed under Section 2.01 (a) for each work day of the week for which he/she is otherwise eligible, provided however, that there shall be excluded from such computation any pay which could have been earned for hours made available by the Company but not worked on days for which he/she is not eligible for a benefit under Section 1.02 (c).
- (c) Notwithstanding the provisions in this section 2.01, in order to maintain governmental approval, the combined weekly level of Employment Insurance Benefits, Supplemental Unemployment Benefits and other earnings will not exceed 95 percent of the employee's normal weekly earnings.

## 2.02 Employment Insurance Benefit and Other Compensation

- (a) An employee's Employment Insurance Benefit and Other Compensation for a week means:
  - (i) the amount of Employment Insurance Benefit received or receivable by the employee for such week; plus
  - (ii) all pay received or receivable by the employee from the Company (including holiday payment except as provided in Section 2.02 (a) (v) and, the amount of any pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked after reasonable notice has been given to the employee, for such week; provided, however, that if the hours made available but not worked are hours which the employee had an option to refuse under the Collective Agreement, such hours shall not be considered as hours made available by the Company; and provided, further, that if wages or remuneration are received or receivable by the employee from employers other than the Company and are applicable to the same period as hours made available by the Company but not worked, only the greater of, (a) such wages or remuneration from other employers in excess of the amount disregarded as earnings by the Employment Insurance Commission, or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided further, that any pay received or receivable by the employee for a shift which extended through midnight shall be allocated;
    - (1) to the day on which the shift started if he/she was on layoff with respect to the corresponding shift on the following day,
    - (2) to the day on which the shift ended if he/she was on layoff with respect to the corresponding shift on the preceding day, or

(3) according to the pay for the hours worked each day, if he/she was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and in such event, the maximum Regular Benefit amount shall be modified to any extent necessary so that the employee's Regular Benefit will be increased to offset any reduction in his/her Employment Insurance Benefit which may have resulted solely from the Employment Insurance Commission's allocation of his/her earnings for such a shift otherwise than as prescribed in this proviso; plus

(iii) all earnings, as defined under the Employment Insurance Act, received or receivable from other employers in excess of the amount disregarded as earnings by the Employment Insurance Commission for such week excluding such wages or remuneration which were considered in the calculation under Section 2.02 (a) (ii); plus

(iv) the amount of all other benefits in the nature of compensation or benefits for unemployment, received or receivable under any municipal, provincial or federal laws for such weeks; plus

(v) vacation pay received or receivable under the provisions of Article 12 of the Collective Agreement, of which an amount equal to 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the first week of Company designated vacation; the second 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the second week of Company designated vacation, the third 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the third week of Company designated vacation; and vacation pay for any other scheduled vacation shall be considered compensation applicable to the week during which such vacation is taken.

However, where an employee has applied for and received vacation time under the provision of Article 12.08 of the Collective Agreement, an amount equal to 40 hours of such vacation pay shall be considered compensation applicable to each week of vacation granted under Article 12.08 of the Collective Agreement and any remaining vacation pay will be allocated according to the normal provisions of this Section 2.02 (a) (v).

(b) If the Employment Insurance Benefit received by an employee for an Employment Insurance week shall be for less, or more than a full Employment Insurance week (for reasons other than his/her receipt of wages or remuneration for such Employment Insurance week):

(i) because he/she has been disqualified or otherwise determined ineligible for a portion of his/her Employment Insurance Benefit for reasons other than those set forth in Section 1.01 (b), or

(ii) because the Employment Insurance week for which the benefit is paid includes a portion of the Employment Insurance "waiting period", or

(iii) because of an underpayment or overpayment of a previous Employment Insurance Benefit,

the amount of the Employment Insurance Benefit to which he/she otherwise would have been entitled for such Employment Insurance week shall be used in the calculation of "Employment Insurance Benefit and Other Compensation" for such Employment Insurance week.

- (c) The Employment Insurance Benefit in any week during, the period covered by the "advance payment" will be deemed to be that part of the "advance payment" applicable to that week.
- (d) Under the provisions of Article 2 in calculating the amount of the Regular Benefit otherwise payable for a week during which an employee has served an Employment Insurance "waiting period" or for which he/she has received an Employment Insurance "advance payment", the calculation shall include all wages or remuneration (as defined under the Employment Insurance Act) in excess of an amount equal to 25% of the employee's Employment Insurance Benefit rate received or receivable by the employee from other employers for such week.

### 2.03 Insufficient Credit Units for a Regular Benefit

If an employee has to his/her credit less than the full number of Credit Units required to be cancelled for the payment of a Regular Benefit for which he/she is otherwise eligible, he/she shall be paid the full amount of such Regular Benefit and all remaining Credit Units to his/her credit shall be cancelled.

### 2.04 Effect of Low Credit Unit Cancellation Base

Notwithstanding any of the other provisions of the Plan:

- (a) If the CUCB for any week, with respect to an Employee, shall be \$51.00 or more but less than \$126.00, any Regular Benefit payable to the Employee for such week shall be reduced by 20%, but in no event to less than \$5.00 by reason of such reduction.
- (b) If the CUCB for any week, with respect to an Employee, shall be less than \$51.00, no Regular Benefit for such week shall be paid to the Employee for such a week.

### 2.05 Regular Benefit Overpayments

- (a) If the Company or the Board shall determine that any Regular Benefit paid under the Plan should not have been paid or should have been paid in a lesser amount (as the result of a subsequent disqualification for Employment Insurance Benefits or otherwise), written notice thereof shall be mailed to the employee receiving such Regular Benefit and he/she shall return the amount of overpayment to the Trustee, provided, however, that no such repayment shall be required if the cumulative overpayment is \$3.00 or less, or if notice has not been given within 120 days from the

date the overpayment was established or created, except that no such limitation shall be applicable in cases of fraud or willful misrepresentation.

- (b) If the employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of overpayment by making a deduction from any future Regular Benefits (not to exceed \$10.00 from any 1 Regular Benefit except in cases of fraud or willful misrepresentation) otherwise payable to such employee or by requesting the Company to make a deduction from monies payable by the Company (including, without limitation, Automatic Short Week Benefits) to such employee (not to exceed \$20.00 from any 1 pay cheque except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the employee's compensation and to pay the amount deducted to the Trustee.

## 2.06 Withholding Tax

The Trustee shall deduct from the amount of any Regular Benefit as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial or municipal government.

2.07 Payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or increased by payments received under this part.

## **ARTICLE 3**

### **CREDIT UNITS AND DURATION OF BENEFITS**

#### 3.01 General

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of Regular Benefits.

#### 3.02 Accrual of Credit Units

- (a) For work weeks commencing on or after January 1, **2007**.

Credit Units shall be credited at the rate of one-quarter (1/4) for the first eighteen months of employment and one-half (1/2) of a Credit Unit for each workweek for which the employee:

- (i) receives any pay from the Company;
- (ii) was absent from work because of occupational injury or disease incurred in the course of such employee's employment with the Company and on account of such absence he/she received Workplace Safety & Insurance Board benefits while on Company-approved leave of absence.

- (b) For the purposes of accruing Credit Units under this section:

(i) all hours represented by pay in lieu of vacation shall be counted as hours in the workweek covered by the pay day as of which payment in lieu of vacation was made, and

(ii) back pay shall be considered as pay for any workweek or workweeks to which it may be allocatable, and

(iii) hours represented by vacation pay received by an employee shall be allocated as follows: 40 hours, to the first week of the applicable vacation period established by the Company as provided in Article 13 of the Collective Agreement; hours in excess of 40 but less than 80, if any, to the second week of such vacation period; hours in excess of 80 but less than 120, if any, to the third week of such vacation period; and hours represented by vacation pay for any other scheduled vacation shall be allocated to the week during which such vacation is taken. Such vacation week or weeks shall be designated a work week or workweeks for the purposes of this section.

- (c) No employee may have to his/her credit in the aggregate at any one time more than 52 Credit Units.
- (d) No employee shall be credited with any Credit Units prior to the first day as of which he/she, (i) has at least 1 year of seniority, and (ii) is on the active employment rolls in the Bargaining Unit (or was on such rolls within 30 days prior to such first day). As of such day he/she shall be credited with Credit Units based upon his/her workweeks while he/she is an employee after September 23, 1970, and subsequent to his/her seniority date.
- (e) An employee who has Credit Units as of the last day of a week shall be deemed to have had them during all of such week.
- (f) At such time as the amount of any Regular Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore canceled with respect to such overpayments of benefits shall be restored to the employee, except to the extent that such restoration would raise the number of his/her Credit Units at the time thereof above 52, and except as otherwise provided with respect to the Credit Unit forfeiture under Section 3.03.

### 3.03 Forfeiture of Credit Units

An employee shall forfeit permanently all Credit Units with which he/she shall have been credited if he:

- (a) incurs a break in seniority; provided, however, that if an employee has incurred a break in seniority by reason of his/her retirement under the total and permanent disability provisions of the Retirement Pension Plan established by agreement between the Company and the Union and shall subsequently have his/her seniority reinstated, his/her Credit Units previously forfeited shall again be credited to him/her as of the date his/her Seniority is reinstated. The procedure in (a) will also apply to an employee terminated, and subsequently reinstated through the grievance procedure.

- (b) is on layoff from the Bargaining Unit and has not been recalled on or before the date on which his/her seniority ceases in accordance with Article 9.16 (c) of the Collective Agreement, except that if on that date he/she is receiving benefits, his/her Credit Units shall not be forfeited until he/she ceases to receive benefits; or
- (c) willfully misrepresents any material fact in connection with an application by him/her for benefits under the Plan.

3.04 Credit Unit Cancellation on Payment of Regular Benefits

(a) The number of Credit Units to be canceled for any benefit shall be determined in accordance with the following table:

If the CUCB applicable to the week for which a benefit is paid is:	<u>And as of the last day of the week for which such Regular Benefit is paid to the employee his/her seniority is:</u>					
	<u>1 to 5</u>	<u>5 to 10</u>	<u>10 to 15</u>	<u>15 to 20</u>	<u>20 to 25</u>	<u>25 Years and Over</u>
	Years	Years	Years	Years	Years	and Over

The Credit Units canceled for such benefit shall be:

\$726 or more	1.50	1.50	1.50	1.50	1.50	1.50
651 – 725	1.75	1.50	1.50	1.50	1.50	1.50
576 – 650	1.90	1.70	1.50	1.50	1.50	1.50
501 – 576	2.00	1.90	1.75	1.50	1.50	1.50
426 – 500	2.15	2.00	1.90	1.75	1.50	1.50
351 – 425	3.00	2.15	2.00	1.90	1.75	1.50
276 – 350	3.75	3.00	2.15	2.00	1.90	1.75
201 – 275	4.50	3.75	3.00	2.15	2.00	1.90
126 – 200	7.50	4.50	3.75	3.00	2.15	2.00
51 – 125	15.00	7.50	4.50	3.75	3.00	2.15
Under \$51	No Regular Benefit Payable.					

(b) Provided, however, that no Credit Units will be cancelled when an employee receives a Leveling Week Benefit.



## ARTICLE 4

### APPLICATION, DETERMINATION OF ELIGIBILITY AND APPEAL PROCEDURES FOR BENEFITS

#### 4.01 Applications

##### (a) Filing of Applications

An application for a Regular Benefit may be filed, either in person or by mail, in accordance with procedures established by the Company. Under such procedures an employee applying for a Regular Benefit shall be required to appear personally to register as an applicant and to supply needed information at the time of, or prior to, making his/her first application following layoff. No application for a Regular Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the week with respect to which it is made; provided, however, that if the amount of the employee's Employment Insurance Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Regular Benefit or for a Regular Benefit in a greater amount than that previously paid, he/she may apply within 60 calendar days after the date on which such basis for eligibility is established.

##### (b) Application Information

Applications filed for a Regular Benefit under the Plan shall include:

- (i) in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, dependents and such other information as the Company may require in order to determine whether the employee is eligible to be paid a Regular Benefit and the amount thereof; and
- (ii) with respect to a Regular Benefit, the exhibition of the employee's Employment Insurance Benefit cheque or other evidence satisfactory to the Company of either
  - (1) his/her receipt of or entitlement to an Employment Insurance Benefit or
  - (2) his/her ineligibility for an Employment Insurance Benefit only for one or more of the reasons specified in Section 1.01 (b) provided, however, that in the case of Employment Insurance Benefit ineligibility by reason of the period worked in the week or pay received from the Company or otherwise (Section 1.01 (b) (iii)), Employment Insurance evidence for such reason of ineligibility shall not be required.

Employment Insurance Benefits shall be presumed to have been received by the employee on the date of the cheque as set forth on the cheque or on the satisfactory evidence referred to in the preceding paragraph.

(iii) An employee may make application for a Regular Benefit without exhibiting the satisfactory evidence referred to in 4.01 (b) (ii) above if such evidence is unduly delayed and such delay is outside the control of the employee except that no benefit shall be paid until such satisfactory evidence is received by the Company.

#### 4.02 Determination of Eligibility

##### (a) Application Processing by Company

When an application is filed for a Regular Benefit under the Plan, and the Company is furnished with the evidence and information required, the Company shall determine the employee's entitlement to a Regular Benefit. The Company shall advise the employee of the number of Credit Units cancelled for each Regular Benefit payment and the number of Credit Units remaining to the employee's credit after such payment.

##### (b) Notification to Trustee to Pay

If the Company determines, or the Board on an appeal determines that a Regular Benefit is payable from the Fund, the Company shall deliver prompt written notice thereof to the Trustee to pay such Regular Benefit.

##### (c) Notice of Denial of Regular Benefits

If the Company determines that an employee is not entitled to a Regular Benefit, it shall notify him/her promptly, in writing, of such determination, including the reasons therefor

##### (d) Union Copies of Determinations

The Company shall furnish promptly to the Union members of the Board a copy of all Company determinations of Regular Benefit ineligibility or overpayment.

#### 4.03 Appeals

##### (a) Applicability of Appeals Procedure

(i) The Appeals Procedure as set forth in this section may be employed only for the purposes specified in this section.

(ii) No question involving the interpretation or application of the Plan shall be subject to the Grievance Procedure provided for in the Collective Agreement.

##### (b) Appeals to the Board of Administration

(i) An employee may appeal from the Company's written determination with respect to the payment or denial of a Regular Benefit by filing a written appeal with the Board on a form provided for that purpose.

(ii) Such written appeal shall be filed with the designated Company representative within 30 days following the date of mailing of the determination appealed. With respect to appeals that are mailed, the date of filing shall be the postmarked date of the appeal. No appeal shall be valid after such 30 day period.

(iii) Appeals shall specify the respects in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.

(iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. Such regulations and procedures shall provide that in situations where a number of employees have filed applications for Regular Benefits under substantially identical conditions, an appeal may be made to the Board with respect to one of such employees, and the decision of the Board thereon shall apply to all such employees.

(v) The employee or the Union members of the Board may withdraw any appeal to the Board at any time before it is decided by the Board.

(vi) There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the employee or former employee, the Trustee, and the Company. The Union shall discourage any attempt of its members to appeal, and shall not encourage or co-operate with any of its members in any appeal, to any court or labour board from a decision of the Board, nor shall the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.

(vii) The employee shall be advised, in writing, by the Board of the disposition of any appeal.

(c) Regular Benefits Payable After Appeal

In the event that an appeal with respect to entitlement to a Regular Benefit is decided in favour of an employee, the Regular Benefit shall be paid to him/her; provided, however, that if such Regular Benefit required Credit Unit cancellation the Regular Benefit shall be paid only if he/she did not exhaust Credit Units after the week of the Regular Benefit in dispute.

(d) Meaning of Term "Employee" with Respect to Appeal Provisions

With respect to the appeal provisions set forth under this Section 4.03 only, the term "employee" shall include any person who received or was denied the Regular Benefit in dispute.

## ARTICLE 5

### ADMINISTRATION OF THE PLAN

#### 5.01 Powers and Authority of the Company

##### (a) Company Powers

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under the Plan, including, without limitation, the power:

- (i) to obtain such information as it shall deem necessary in order to carry out its duties under the Plan;
- (ii) to investigate the correctness and validity of information furnished with respect to an application for a Regular Benefit;
- (iii) to make initial determinations with respect to Regular Benefits;
- (iv) to establish reasonable rules, regulations and procedures concerning
  - (1) the manner in which and the times and places at which applications shall be filed for Regular Benefits, and
  - (2) the form, content and substantiation of applications for Regular Benefits.

In establishing such rules, regulations and procedures, the Company shall give due consideration to recommendations from the Board;

- (v) to designate a location where employees laid off may appear for the purpose of complying with the requirements of the Plan;
- (vi) to determine the Maximum Funding of the Fund, Maximum Financial SUB Credits, Monthly SUB Account Level and the CUCB;
- (vii) to establish appropriate procedures for giving notices required to be given under the Plan;
- (viii) to establish and maintain necessary records; and
- (ix) to prepare and distribute information explaining the Plan.

##### (b) Company Authority

Nothing contained in the Plan shall be deemed to qualify, limit, or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment hours of work, the extent of hiring and layoffs, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

## 5.02 Board of Administration of the Plan

### (a) Composition and Procedure

(i) There shall be established a Board of Administration of the Plan consisting of 6 members, 3 of whom shall be appointed by the Company (hereinafter referred to as the Company members) and 3 of whom shall be appointed by the Union (hereinafter referred to as the Union members). Each member of the Board shall have an alternate. In the event a member is absent from a meeting of the Board, his/her alternate may attend, and, when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.

(ii) The members of the Board will, when required, appoint an impartial chairperson, who shall serve until requested in writing to resign by 3 members of the Board. In the event that the members of the Board are unable to agree upon such Chairperson, a Chairperson shall be provided in the same manner as that used for appointment of umpires to hear appeals at Step 4 of the Grievance Procedure established by the Collective Agreement. The impartial chairperson, if appointed, shall be considered a member of the Board, and shall vote only in matters within the Boards' authority to determine where the other members of the Board shall have been unable to dispose of a matter by majority vote.

(iii) At least 2 Union members and 2 Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of 3 votes and the Union members shall have a total of 3 votes, the vote of any absent member being divided equally between the members present appointed by the same party. Decision of the Board shall be by a majority of the votes cast.

(iv) The Board shall not maintain any separate office or staff, but the Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, 1

copy to be sent to the Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

(b) Powers and Authority of the Board

(i) It shall be the function of the Board to exercise ultimate responsibility for determining whether an employee is eligible for a Regular Benefit under the terms of the Plan, and if so, the amount of such Regular Benefit. The Board shall be presumed conclusively to have approved any initial determination by the Company unless the determination is appealed as prescribed in Section 4.03 (b).

(ii) The Board shall have jurisdiction:

(1) to hear and determine appeals by employees pursuant to Article 4;

(2) to obtain such information as the Board shall deem necessary in order to determine such appeals;

(3) to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;

(4) through the Company to authorize the Trustee to make payments of Regular Benefits pursuant to determinations made by the Board; and

(5) to have prepared and distributed on behalf of the Board information explaining the Plan;

(6) to perform such other duties as are expressly conferred upon it by the Plan.

(iii) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Regular Benefits as provided therein, except that the Board may waive the 60 day time limit specified in 4.01 (a) where delay in filing a claim was due to unusual circumstances or any other provision of the Plan; and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plan,

(1) whether the appeal to the Board was made within the time and in the manner specified in Section 4.03 (b).

(2) whether the employee is an eligible employee with respect to the Regular Benefit claimed, and, if so,

(3) the amount of any Regular Benefit payable.

(iv) The Board shall have no jurisdiction to act upon any appeal not made within the time and in the manner specified in Section 4.03 (b).

(v) The Board shall have no power to determine questions arising under the Collective Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefor by the Collective Agreement, and all determinations made pursuant to such Agreement shall be accepted by the Board.

(vi) Nothing in this Article shall be deemed to give the Board the power to describe in any manner internal procedures or operations of either the Company or the Union.

#### 5.03 Determination of Dependents

(a) In determining an employee's dependents for purposes of Regular Benefit determinations, the Company (and the Board) shall be entitled to rely upon the official form filed by the employee with the Company for income tax withholding purposes; and the employee shall have the burden of establishing that he/she is entitled to a greater number of withholding exemptions that he/she shall have claimed on such form.

#### 5.04 To Whom Regular Benefits are Payable in Certain Conditions

Regular Benefits shall be payable hereunder only to the employee who is eligible therefor, except that if the Board shall find that such employee is deceased or is unable to manage his/her affairs for any reason, and such Regular Benefit payable to him/her shall be paid to his/her duly appointed legal representative, if there be one, and if not, to the spouse, parents, children or other relatives or dependents of such employee as the Board in its discretion may determine. Any Regular Benefit so paid shall be a complete discharge of any liability with respect to such Regular Benefit. In the case of death, no Regular Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the employee's death.

#### 5.05 Non-alienation of Regular Benefits

No Regular Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an authorization for check-off of Union dues and any attempt to accomplish the same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Regular Benefit due or to become due to any employee, the Board in its sole discretion may terminate the interest of such employee in such Regular Benefit and apply the amount of such Regular Benefit to or for the benefit of such employee, his/her spouse, parents, children or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Regular Benefit.

#### 5.06 Applicable Law

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the Province of Ontario, except that the eligibility of a person for, and the amount and duration of, Employment Insurance Benefits shall be determined in accordance with the Employment Insurance Act of Canada.

## **ARTICLE 6**

### **FINANCIAL PROVISIONS AND REPORTS**

#### **6.01 Establishment of Fund**

The Company shall maintain, in accordance with the Plan, a Fund with a qualified Canadian trust company or companies selected by the Company as Trustee. The Company's contributions shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Regular Benefits shall be payable only from the Fund. The Company shall provide in the Trust Agreement that the assets of the Fund shall be held in cash or invested only in obligations issued or guaranteed by the Canadian Government, irrespective of the rate of return, or the absence of any return, thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss hereon whether from normal or abnormal economic conditions or otherwise.

#### **6.02 Company Contributions**

##### **(a) Amount and Timing**

Effective January 1, **2007**, the Company shall make contributions to the Fund from time to time, as required to maintain the Fund at a level sufficient to pay the Regular Benefits and any Plan expenses then due and payable. The Company shall have the sole and absolute discretion to make additional contributions from time to time, however, in respect to any calendar month, the Company shall not make any contribution that would result in the value of the Fund exceeding the Maximum Funding of the Fund for that month.

##### **(b) Effect of Withholding**

If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any federal, provincial or municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and to pay only the balance to the Fund.

#### **6.03 Maximum Funding**

- (a)** The Maximum Funding of the Fund shall be determined for each calendar month by multiplying the Average Full Benefit Rate by 16 and this result by the sum of
- (i)** the number of employees on the active employment rolls, and



- (ii) the number of persons laid off from work who are not on the active employment rolls but who have Credit Units;

both numbers being determined by the Company as of the latest date for which the figures are available prior to the first Monday in the month for which the Maximum Funding is being determined.

- (b) (i) The Average Full Benefit Rate for the purpose of determining Maximum Funding shall be computed monthly and shall be the sum of the following;

- (1) the amount determined by dividing the sum of all Full Benefits paid during the 12 months immediately prior to the month next preceding the month for which Maximum Funding is being determined by the number of such benefits. However, if there exists an agreement between the Company and the Union to suspend Plan benefit payments for a certain period of time, then the 12 month period, for the purpose of the calculation of the amount of benefits paid under this sub-section, shall be the last 12 month period during which benefits were payable or might have been payable from the Plan had any eligible layoffs occurred;

- (2) 50% of the Average Weekly Amount of Contributions paid by the Company to provide the insurance coverage under Part III (6) of the Insurance Plan forming Exhibit "A" of the Collective Agreement.

- (ii) A Full Benefit shall mean a Regular Benefit which has not been reduced because of Employment Insurance and Other Compensation as defined in Section 2.02 (a) but shall not include a benefit payable under Article 1.01 (b) (ix) or 1.01 (b) (xi).

- (iii) The Average Weekly Amount of Contributions shall be the average monthly payment made during the 12 months immediately prior to the month next preceding the month for which Maximum Funding is being determined, divided by  $4 \frac{1}{3}$ . Such average monthly payment shall be determined by dividing the sum of all monthly payments made during the period for which the compensation is made by the number of such payments.

#### 6.04 Financial SUB Credits

- (a) General

Financial SUB Credits shall be a means of determining the level of Regular Benefits. One Financial SUB Credit shall be notionally equal to one (1) dollar.

- (b) Maximum Financial SUB Credits

In respect to any calendar month, the number of Maximum Financial SUB Credits shall equal the Maximum Funding of the Fund for that calendar month.

Notwithstanding any other provision of the Plan, no Financial SUB Credits shall be allocated to the SUB Accounts in excess of the Financial SUB Credits that would raise the total of the Monthly SUB Account Levels for all SUB Accounts up to the Maximum Financial SUB Credits for the particular month and no Financial SUB Credits shall be allocated to the SUB Accounts for any calendar month in which the total of the Monthly SUB Account Levels for all SUB Accounts is equal to or in excess of the Maximum Financial SUB Credits for the particular month.

(c) Operation of the SUB Accounts

- (i) On and after January 1, **2007**, there shall be three SUB Accounts: SUB Account A, SUB Account B and SUB Account C. To SUB Account A shall be allocated Financial SUB Credits equal to the value of the Fund's Account A assets at December 31, **2006** and 80% of subsequent Financial SUB Credits allocated pursuant to Section 6.04 (d) as adjusted by Section 6.04(e). To SUB Account B shall be allocated the Financial SUB Credits equal to the value of the Fund's Account B assets at December 31, **2006** plus 10% of subsequent Financial SUB Credits allocated pursuant to Section 6.04(d) as adjusted by Section 6.04(e). To SUB Account C shall be allocated Financial SUB Credits equal to the value of the Fund's Account C assets at December 31, **2006** plus 10% of subsequent Financial SUB Credits allocated pursuant to Section 6.04(d) as adjusted by Section 6.04(e).
- (ii) The individual SUB Accounts shall be reduced as follows. SUB Account B shall be reduced with respect to Regular Benefits paid only to Employees who have attained 10 but less than 20 years of seniority as of the last day of the week for which the Regular Benefit is to be paid. SUB Account C shall be reduced with respect to Regular Benefits paid only to Employees who have attained 20 years of seniority as of the last day of the week for which the Regular Benefit is to be paid. Regular Benefits paid to all eligible employees (regardless of years of seniority) will be taken into account in reducing SUB Account A. When the Financial SUB Credits in SUB Account A are exhausted, then only Employees who have attained 10 or more years of seniority as of the last day of the week for which the Regular Benefit is to be paid shall be paid a benefit, but only to the extent there are Financial SUB Credits remaining in SUB Account B. When the Financial SUB Credits in SUB Account B are exhausted, then only Employees who have attained 20 or more years of seniority as of the last day of the Week for which the Regular Benefit is to be paid shall be paid a benefit, but only to the extent there are Financial SUB Credits remaining in SUB Account C.
- (iii) Each SUB Account shall, on a monthly basis, be credited with additional Financial SUB Credits at a reasonable rate of notional interest based on the balance of Financial SUB Credits standing to the SUB Account in the

previous month. For the purpose of this provision, a reasonable rate of notional interest shall be the monthly average Scotia Capital 91-day Treasury Bill rate for the twelve month period ending in the previous month.

(a) Allocations to SUB Accounts

With respect to each of the pay periods which begins within a calendar month subsequent to December **2006**, for which the aggregate Monthly SUB Account Credit Levels for all of the SUB Accounts is less than the Maximum Financial SUB Credits, the Company will allocate a total number of Financial SUB Credits equal to the amount determined by multiplying

- (i) \$0.29 by the total number of regular hours worked, and
- ii). \$0.435 by the total number of "time and one half" overtime hours worked, and
- (iii) \$0.58 by the total number of "double time" overtime hours worked,

by Employees for such pay period, but not in excess of the amount necessary to raise the aggregate Monthly SUB Account Levels for all of the SUB Accounts up to the Maximum Financial SUB Credits for such month.

(e) Adjustment in Financial SUB Credits

(i) The total number of Financial SUB Credits allocated to the SUB Accounts, as determined under Section 6.04 (d), shall be reduced by:

- (1) The amount of Automatic Short Week Benefits paid by the Company in the relevant period in respect to Employees in the Bargaining Unit;
- (2) 50% of all premiums and subscription charges that shall have been paid by the Company in the relevant period to provide the insurance coverage for laid off employees under Section Part III (6) of the Insurance Plan forming Exhibit "A" of the Collective Agreement;
- (3) all expenses paid from the Fund pursuant to Article 6.10; and
- (4) any expenses paid directly by the Company pursuant to Section 6.10(c).

(ii) If Financial SUB Credits are not required to be allocated to a SUB Account for any period, or if the Financial SUB Credits allocated are less than the number of Financial SUB Credits to be offset under Section 6.04 (e) (i), then any subsequently allocated Financial SUB Credits shall be reduced by the amount not previously offset against Financial SUB Credits. Any such amount not previously offset against credits

shall be deducted from the appropriate Monthly SUB Account Level in determining CUCB and whether the aggregate Monthly SUB Account Levels for all SUB Accounts equals or exceeds the Maximum Financial SUB Credits.

(iii) If as of the close of business on December 31, of **2007** and each subsequent calendar year thereafter, the total Monthly SUB Account Levels for all SUB Accounts is less than the Maximum Financial SUB Credits for December of the particular year, the number of Financial SUB Credits determined under sub-section 6.04 (d) with respect to the pay period relating to December 31 of that year shall be increased by the amount, if any, by which the total amount of Automatic Short Week Benefits paid in the particular calendar year exceeds the amount determined by multiplying seven (7) cents by the total number of hours for which Employees received pay from the Company during that particular calendar year, but not to exceed the amount necessary to increase the aggregate Monthly SUB Account Levels to 100% of the Maximum Financial SUB Credits.

(f) Monthly SUB Account Level

A Monthly SUB Account Level shall be determined for each of the SUB Accounts for each calendar month, commencing with January **2007**. The Monthly SUB Account Level, in respect to a SUB Account, shall be equal to the number of Financial SUB Credits in the particular SUB Account at the end of the prior month, plus the net Financial SUB Credit adjustments for the month, with respect to the SUB Accounts as determined pursuant to Sections 6.04 (c), (d) and (e).

6.05 CUCB (Credit Unit Cancellation Base)

- (a) (i) The CUCB for each employee with less than 10 years of seniority as of the last day of the week for which the Regular Benefit is to be paid shall be determined for each calendar month in the following manner: The current Monthly SUB Account Level of SUB Account A, as of the close of business on the Friday preceding the first Monday of such month, shall be divided by the number which is the sum of employees on the active employment rolls and other persons used in determining Maximum Funding for such month.
- (ii) The CUCB for each employee with 10 or more years of seniority but less than 20 years of seniority as of the last day of the week for which the Regular Benefit is to be paid shall be determined for each calendar month in the following manner: Add the number calculated in Section 6.05 (a) (i) with respect to the employee (determined as if the employee had less than 10 years of seniority) to the following amount: the current Monthly SUB Account Level for SUB Account B, as of the close of business on the Friday preceding the first Monday of such month, divided by the number which is the sum of Employees on the active employment rolls and other persons used in determining Maximum Funding for such month who have attained 10 years of seniority

but less than 20 years of seniority as of the last day of the week for which the Regular Benefit is to be paid.

(iii) The CUCB for each employee with 20 or more years of seniority as of the last day of the week for which the Regular Benefit is to be paid shall be determined for each calendar month in the following manner: Add the number calculated in Section 6.05 (a) (ii) with respect to the employee (determined as if the employee had attained 10 years of seniority but less than 20 years of seniority) to the following amount: the current Monthly SUB Account Level for SUB Account B, as of the close of business on the Friday preceding the first Monday of such month, divided by the number which is the sum of Employees on the active employment rolls and other persons used in determining Maximum Funding for such month who have attained 20 years of seniority as of the last day of the week for which the Regular Benefit is to be paid.

- (b) The CUCB for any particular month shall be applied to each of the pay periods beginning within such month; provided, however, that whenever the CUCB for any particular month is less than \$126.00, the CUCB shall be applied only to the first pay period beginning within such month, and thereafter there shall be determined a CUCB for each pay period until the CUCB for a particular pay period equals or exceeds \$126.00. When the CUCB for a particular pay period equals such amount, such CUCB shall be applied to each pay period until a CUCB for the following calendar month shall be applicable. The CUCB for a particular pay period shall be determined on the basis of the Monthly SUB Account Level as of the close of business on the Friday preceding such pay period.

#### 6.06 Finality of Determination

No adjustment in the Maximum Funding or the CUCB shall be made on account of any subsequently discovered error in the computations, unless such adjustment is practicable. Any adjustment made shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company

#### 6.07 Liability

- (a) The provisions of these Articles 1 through 8 constitute the entire Plan. The provisions of this Article 6 express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the Plan and providing for Regular Benefits. The Company shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in the Fund, and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.
- (b) The Board, the Company, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

- (c) Notwithstanding the above provisions, nothing in this section shall be deemed to relieve any person from liability for willful misconduct or fraud.

#### 6.08 No Vested Interest

No person shall have any right, title or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

#### 6.09 Reports by the Company

- (a)
  - (i) The Company shall notify the Board and the Union with reasonable promptness of the amount of the Monthly SUB Account Levels, the Maximum Financial SUB Credits and the CUCB as determined by it from time to time under the Plan, and shall furnish a statement showing the Average Full Benefit Rate, the number of employees on the active employment rolls and the number of laid-off persons not on the active employment rolls but having Credit Units, upon the basis of which such determination was made.
  - (ii) Within 10 working days after the commencement of each production month the Company shall furnish to the Union a statement showing for the preceding month:
    - (1) the number of hours worked by members of the Bargaining Unit;
    - (2) the number of Financial SUB Credits allocated to the SUB Accounts, as specified in Sections 6.04 (c), (d) and (e) for each hour with respect to which Financial SUB Credits were allocated;
    - (3) the amount of Regular Benefits and expenses paid from the Fund in respect to the Plan by which the Financial SUB Credits determined in Sections 6.04 (d) and (e) were reduced during the preceding month;
    - (4) the amount of Automatic Short Week Benefits by which the Financial SUB Credits determined in Sections 6.04 (d) and (e) were reduced during the preceding month by reason of such benefits;
    - (5) the total amount of the Company contributions made to the Fund in accordance with Section 6.02 (a) during the preceding month; and
    - (6) the number of remaining Credit Units per employee as determined in Sections 3.02, 3.03, and 3.04.
  - (iii) On or before April 30 of each year, the Company shall furnish to the Union a statement showing the number of Regular Benefits paid from the Fund during the preceding calendar year which were limited by the maximum under the provisions of Section 2.01 (a) (ii).

(iv) On or before April 30 of each year, the Company shall furnish to the Union a statement, certified by an independent firm of chartered accountants selected by the Company, verifying the accuracy of the information furnished by the Company during the preceding year pursuant to Sections 6.09 (a) (i) and 6.09 (a) (ii).

(v) The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company may have compiled.

(b) Reports by the Trustee

(i) Within 10 calendar days after the commencement of each month, the Trustee shall be required to furnish to the Board, the Union, and the Company a statement showing the amounts received from the Company for the Fund during the preceding month.

(ii) Not later than the second Tuesday following the first Monday of each month, the Trustee shall furnish to the Board, the Union, and the Company a statement showing the total market value of the Fund as of the close of business on the Friday preceding the first Monday of such month, and a statement showing the number and amounts, if any, of benefits paid from the Fund during each week preceding months as:

(1) Regular Benefits (including Leveling Week Benefits) paid without reduction for Employment Insurance and Other Compensation as defined in Section 2.02 (a); and

(2) Other Regular Benefits.

6.10 Costs of Administering the Plan

(a) Expense of Trustee

The costs and expenses incurred by the Trustee under the Plan, and the fees charged by the Trustee, shall be charged to the Fund.

(b) Expenses of the Board of Administration

The compensation of the impartial chairperson which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Company and the Union. The Company members and the Union members of the Board shall serve without compensation from the Fund. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Company.

(c) Cost of Services

The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees for services performed in connection with the Plan and the Fund, but shall only be reimbursed to the extent that these costs are not applied to offset new Financial SUB Credit allocations under Section 6.04(e)(4).

#### 6.10 Regular Benefit Cheques Not Presented

If the Trustee has segregated any portion of the Fund in connection with any determination that a Regular Benefit is payable under the Plan and the amount of such Regular Benefit is not claimed within a period of two (2) years from the date of such determination, such amount shall revert to the Fund.

### **ARTICLE 7**

#### **MISCELLANEOUS**

##### 7.01 Purpose of Plan and Status of Employees Receiving Regular Benefits

###### (a) Purpose of Plan

It is the purpose of the Plan to supplement the Employment Insurance Benefits and not to replace or duplicate them.

###### (b) Status of Employees Receiving Regular Benefits

Neither the Company's contributions nor any Regular Benefit paid under the Plan shall be considered a part of an employee's wages for any purpose. No employee who receives any Regular Benefit shall for that reason be deemed an employee of the Company during such period, and he/she shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other employee benefit plan to which the Company contributes than he/she would if he/she were not receiving such Regular Benefit.

##### 7.02 Effect of Revocation of Federal and Provincial Government Income Tax Ruling

In the event that any rulings which have been or may be obtained by the Company holding that any contributions to the Fund shall constitute currently deductible expense under the Canadian Income Tax Act or similar legislation, (if any) whether federal or provincial, as now in effect or as it may be hereafter amended shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Agreement), except for the purposes of disposing of the assets of the fund as set forth in Section 7.04 (b).

##### 7.03 Supplementation of Employment Insurance Benefits



No Weekly Supplemental Benefit shall be payable under the Plan unless it shall have been established to the satisfaction of the Company by administrative rulings from Canadian governmental authorities or by amendments of the Employment Insurance Act, that supplementation shall continue to be permitted.

#### 7.04 Amendment and Termination of the Plan

- (a) So long as the Agreement shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or the Agreement. Upon the termination of the Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.
- (b) Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Fund shall be used to pay expenses of administration and to pay Regular Benefits to eligible employees for a period of 1 year following termination, if not sooner exhausted. The Plan provisions with respect to the effect of a low CUCB on the payment of benefits shall not be applicable. At the expiration of such 1 year period, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for employee benefits not inconsistent with the purpose of the Plan.

### **ARTICLE 8**

#### **DEFINITIONS**

As used herein:

(1) "active employment rolls"

An employee whose seniority rights have not ceased is considered to be on the active employment roll of the Company under the following circumstances:

- (i) while he/she is actually working for the Company,
- (ii) while he/she is on an authorized vacation,
- (iii) while he/she is on an authorized leave of absence (other than a medical leave of absence) which is issued for a period of 30 days or less,
- (iv) during the first 90 days when he/she is on a medical leave of absence,
- (v) while he/she is on a disciplinary suspension not exceeding 30 days,
- (vi) while he/she is on a layoff which is not expected to exceed 24 calendar days.

- (2) "Agreement" means the currently effective Agreement between the Company and the Union which incorporates this Plan, and the Automatic Short Week Benefit Plan by reference.
- (3) "Automatic Short Week Benefit" means the benefit payable to an eligible employee for a short work week in accordance with the Automatic Short Week Benefit Plan.
- (4) " Bargaining Unit" means a unit of employees covered at the particular time by a Collective Agreement.
- (5) "Hourly Rate" (exclusive of Cost-of-Living Allowance) means:
  - (a) With respect to Regular Benefits, the total regular earnings divided by the total regular hours as recorded in the employee's statements of earnings and deductions for the thirteen (13) weeks worked immediately preceding and including the last day worked prior to the commencement of the layoff.
  - (b) With respect to a Regular Benefit, the hourly rate as determined in Section (5) (a) of this Article 8 shall be adjusted to reflect the amount of any wage increase, if any, which became effective (pursuant to the Collective Agreement) after the day or period (or during the period) used to establish his/her hourly rate. In such event the amount of any wage increase shall be the amount applicable to the job classification in which the employee worked either on the day, or the last day of the period, whichever is applicable, for which his/her hourly rate was determined under Section (5) (a) above. The adjusted hourly rate shall be effective with respect to Regular Benefits which may be payable for and subsequent to the week in which such improvement factor increase became or becomes effective.
- (6) "Board" means the Board of Administration under the Plan.
- (7) "Break in seniority" means break in or loss of seniority pursuant to Collective Agreement.
- (8) "Collective Agreement" means a Collective Agreement between the Company and the Union which is in effect at the particular time.
- (9) "Company" means Lear Canada, a partnership of which Lear Corporation Canada Ltd. is also a partner, and any associated or affiliated company or companies which have adopted this Plan as a participating employer.
- (10) "Credit Unit" means a Credit Unit, or fraction thereof, credited to an employee under the Plan generally for work weeks for which he/she receives pay, and cancelled at specified rates for the payment of certain Regular Benefits.
- (11) "CUCB" (Credit Unit Cancellation Base) means an amount determined periodically (pursuant to Article 6.05).

- (12) "Dependent" means a spouse or a person recognized as a dependent by the Minister of National Revenue for purposes of establishing the employee's withholding tax exemptions.
- (13) "Employee" means an hourly rated employee in a Bargaining Unit.
- (14) "Fund" means the Trust Fund established under the Plan to receive and invest Company contributions and to pay Regular Benefits.
- (15) "Maximum Funding" has the meaning set out in Article 6.03.
- (16) "Maximum Financial SUB Credits" has the meaning described in Section 6.04 (b).
- (17) "Monthly SUB Account Level" has the meaning set out in Section 6.04 (f).
- (18) "Plan" means the Supplemental Unemployment Benefit Plan described in this Part B.
- (19) "Plant" shall mean the Company facility at which there are employees covered by a Collective Agreement.
- (20) (a) "Regular Benefit" means a weekly benefit payable under Section 2.01 to an eligible employee for a week of layoff in which he/she performed no work for the Company, and received no jury duty or crown witness or bereavement pay from the Company; and
- (b) "Leveling Week Benefit" means the Regular Benefit payable under Section 1.01 (b) (iv) to an eligible employee for all or part of a week, because, with respect to the week, he/she was serving an Employment Insurance "waiting period" and during such week or part thereof he/she was temporarily laid off out of line of seniority pending an adjustment of the work force in accordance with the terms of the Collective Bargaining Agreement.
- (21) "Seniority" means seniority status under the Collective Agreement.
- (22) "Short work week" means a work week during which an employee performs some work for the Company or received some jury duty pay or crown witness pay or bereavement pay from the Company or received only holiday pay from the Company for that week except that he/she must have worked the last regularly scheduled shift immediately preceding such holiday; but for which his/her compensated or available hours are less than 40.
- (23) "SUB Account" means an account described in in Section 6.04 (d).
- (24) "Financial SUB Credit" means a credit described in Section 6.04 (a).
- (25) "Supplementation" means recognition of the right of a person to receive both an Employment Insurance Benefit and a Weekly Supplemental Benefit under the Plan for the same week of

layoff at approximately the same time and without reduction of the Employment Insurance Benefit because of the payment of the Regular Benefit under the Plan.

- (26) "Trustee" means the Trustee or Trustees of the Fund established under the Plan.
- (27) " Employment Insurance" means any system or program established pursuant to any law of the Government of Canada for paying benefits to persons on account of their unemployment or disability under which an individual's eligibility for benefit payments is not determined by application of a "means" test; including any such system or program, established for the primary purpose of education or vocational training, which provides for subsistence allowances or benefits to individuals not employed while undergoing such training.
- (28) " Employment Insurance and Other Compensation" means an Employment Insurance Benefit and other compensation or benefits for unemployment as defined in Section 2.02.
- (29) " Employment Insurance Benefit" means a benefit as defined by the Canadian Employment Insurance Act.
- (30) "Union" means National Automobile, Aerospace and Transportation and General Workers Union of Canada (CAW) and its Local Union #1524 and such other of its local unions as have specifically negotiated participation in the Plan from time to time.
- (31) "Automatic short work week" means a short work week as described in Section 1 (a) (i) of Part C of this Plan.
- (32) "Week" when used in connection with eligibility for and computation of benefits with respect to an employee means;
  - (a) a period of layoff equivalent to a work week, or
  - (b) a work week for which the total pay received or receivable by an employee from the Company (including holiday pay and vacation pay considered applicable to such work week) and any amount of pay which could have been earned, computed as if payable, for hours made available by the Company but not worked (excluding, however, hours not worked which the employee had an option to refuse under the Collective Agreement, as outlined in Section 1.02 (b) (iii), is less than 75% of his/her weekly straight-time pay, or
  - (c) a short work week.
- (33) "Week of layoff" shall include any such week; provided, however, that if there is a difference between the starting time of a work week and of a week under Employment Insurance, the work week shall be paired with the week under Employment Insurance which corresponds most closely thereto in time; and provided, further, that if an employee is ineligible for an Employment Insurance Benefit because of any of the reasons set forth in Section 1.01 (b) (excluding the reasons under item (iv) thereof) for the entire continuous period of layoff, the

week under the Employment Insurance system shall be deemed to be the same as the work week. If an employee becomes ineligible for an Employment Insurance Benefit because of any of the aforementioned reasons during a continuous period of layoff the week under Employment Insurance shall continue to mean, for the duration of the layoff period during which he/she so remains ineligible for an Employment Insurance Benefit, the seven (7) day period for which an Employment Insurance Benefit was last paid to the employee during such continuous period of layoff. Each week within a continuous period of layoff does not constitute a new or separate layoff.

- (34) "Weekly straight-time pay" means an amount equal to an employee's hourly rate as defined in Article 8 (5) (a) (plus any applicable Cost-of-Living Allowance in effect at the time of computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) multiplied by 40 hours.
- (35) "Work week" or "pay period" means a period commencing at 12:01 a.m. Monday to midnight Friday except for three shifts that start on Sunday night.

## **PART C**

### **AUTOMATIC SHORT WEEK BENEFIT PLAN**

#### Section 1 Eligibility

- (a) An employee shall be eligible for an Automatic Short Week Benefit for any week other than a week during which inventory is being taken, except if during this week the shortage of work is not due to the inventory process, beginning on or after January 1, **2007** if:
  - (i) during such week he/she performed some work for the Company or received some jury duty pay or crown witness pay or bereavement pay from the Company or received only holiday pay from the Company for that week except that he/she must have worked the last regularly scheduled shift immediately preceding such holiday; but had less than 40 compensated or available hours;
  - (ii) he/she had at least 1 year of seniority as of the last day of such week; and
  - (iii) he/she was on a qualifying layoff, as described in Section 1.02 of the Supplemental Unemployment Benefit Plan for some part of such week, or he/she was ineligible as defined under the Collective Agreement for pay from the Company for all or part of a period of jury duty or crown witness duty or bereavement during the week and during all or part of such period he/she would otherwise have been on a qualifying layoff under this Plan.
- (b) No application for an Automatic Short Week Benefit shall be required of an employee. However, if an employee believes himself/herself entitled to

- (i) an Automatic Short Week Benefit for a week which he/she does not receive on the date when such Automatic Short Week Benefits for such week are paid, or
- (ii) an Automatic Short Week Benefit in an amount greater than he/she received,

he may file written application therefor within sixty (60) calendar days after such date in accordance with procedures established by the Company. An employee shall forfeit permanently all Credit Units with which he/she shall have been credited under the Supplemental Unemployment Benefit Plan if he/she willfully misrepresents any material fact in connection with any such application.

- (c) An Automatic Short Week Benefit payable for a week shall be in lieu of any other benefit under the Supplemental Unemployment Benefit Plan for that week.

## Section 2 Automatic Short Week Benefit Amount

- (a) The Automatic Short Week Benefit payable to an eligible employee for any week beginning on or after January 1, **2007**, shall be an amount equal to the product of the number by which 40 exceeds his/her compensated or available hours, computed to the nearest tenth of an hour, multiplied by the lesser of:
  - (i) \$14.00 per hour
  - or
  - (ii) 80% of his/her hourly rate as defined in Section 9 (2) of the Automatic Short Week Benefit Plan, (plus 80% of any applicable Cost-of-Living Allowance in effect at the time of computation of the benefit but excluding all other premiums and bonuses of any kind).
- (b) Notwithstanding any other provisions of this Plan:
  - (i) If the CUCB for any week shall be \$51.00 or more but less than \$126.00, any Automatic Short Week Benefit shall be reduced by 20% but in no event to less than \$5.00 by reason of such reduction.
  - (ii) If the CUCB for any week shall be less than \$51.00, no Automatic Short Week Benefit shall be paid at any time.
- (c) The Company shall deduct from the amount of any Automatic Short Week Benefit as computed under this Plan any amount required to be withheld by the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial or municipal government.

## Section 3 Method of Payment

Automatic Short Week Benefits shall be payable by the Company.

#### Section 4 Company Determination of Eligibility

The Company shall promptly determine the employee's eligibility for an Automatic Short Week Benefit, and the Automatic Short Week Benefit shall be paid or denied in accordance with such determination. If the Company determines that an employee is not entitled to an Automatic Short Week Benefit with respect to the week for which application for an Automatic Short Week Benefit is made, it shall notify him/her promptly, in writing, of the reason(s) for the determination.

#### Section 5 Overpayment

- (a) If the Company or the Board determines that any Automatic Short Week Benefits paid under this Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the employee receiving such Automatic Short Week Benefit(s) and he/she shall return the amount of the overpayment to the Company; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3.00 or less or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such limitation shall be applicable in cases of fraud or willful misrepresentation.
- (b) If the employee shall fail to return such amount of overpayment promptly, the Company shall arrange to reimburse the Trustee for the amount of overpayment by making a deduction from any future Automatic Short Week Benefits (not to exceed \$10.00 from any 1 Automatic Short Week Benefit except in cases of fraud or wilful misrepresentation) otherwise payable to such employee by the Company or by making a deduction from monies payable by the Company (including, without limitation, Regular Benefits) to such employee (not to exceed \$20.00 from any 1 pay cheque except in cases of fraud or wilful misrepresentation), or both. The Company is authorised to make the deduction from the employee's compensation as provided under this sub-section and to pay the amounts deducted to the Trustee.
- (c) If the Company determines that an employee has received an Automatic Short Week Benefit for any week for which he/she has received an Employment Insurance Benefit, the amount of such Automatic Short Week Benefit, or a portion of such benefit equivalent to the Employment Insurance Benefit, whichever is less, shall be treated as an overpayment in accordance with this section.
- (d) The Company may adjust for any overpayments or underpayments in the amount of an Automatic Short Week Benefit at the same time as related adjustments are made with respect to any wages for the same work week. Such Automatic Short Week Benefit adjustments shall be shown on the pay statement or other equivalent record given to the employee. Such pay statement or equivalent record shall constitute a determination which may be appealed in accordance with the procedure outlined in Section 4.03 of the Supplemental Unemployment Benefit Plan.

#### Section 6 Reports by the Company

- (a) Within ten (10) working days after the commencement of each production month, the Company shall furnish to the Union a statement showing the number and amounts of Automatic Short Week Benefits, if any, paid by the Company during each week of the preceding month.
- (b) The Company shall furnish promptly to a Union member of the Board a copy of all Company determinations of Automatic Short Week Benefit ineligibility or overpayment.

#### Section 7 General

- (a) The provisions of these Sections 1 through 9 constitute the entire Automatic Short Week Benefit Plan (hereinafter referred to as the Plan) and express each and every obligation of the Company with respect to the provision of Automatic Short Week Benefits.

The Board, the Company, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

Notwithstanding the above provisions, nothing in this section shall be deemed to relieve any person from liability for willful misconduct or fraud.

- (b) No question involving the interpretation or application of the Plan shall be subject to the Grievance Procedure provided for in the Collective Agreement.

#### Section 8 Amendment and Termination of the Plan

So long as the Agreement of which this Plan is a part shall remain in effect, the Plan shall not be amended, modified, suspended or terminated, except as may be proper or permissible under the terms of the Plan or the Agreement. Upon termination of the Agreement, the Company shall have the right to continue this Plan in effect and to modify, amend, suspend or terminate this Plan, except as may be otherwise provided in any subsequent Agreement between the Company and the Union.

#### Section 9 Definitions

Any term used herein which has a counterpart that is defined in the Supplemental Unemployment Benefit Plan shall, unless specifically defined herein, have the same meaning, for the purposes of this Plan, as such term has under the Supplemental Unemployment Benefit Plan.

As used herein:

- (1) "Compensated or available hours" for a week shall be the sum of:



- (a) all regular hours for which an employee receives pay from the Company (including call-in pay and holiday pay but excluding vacation pay except as provided in Section (d) below);
- (b) all regular hours scheduled or made available to the employee by the Company but not worked by the employee, after reasonable notice has been given to the employee (including any period on leave of absence);
- (c) all hours not worked by the employee because of any of the reasons disqualifying an employee from receiving a Regular Benefit under Section 1.02 (b) (ii) and 1.02 (b) (iv) of the Supplemental Unemployment Benefit Plan;
- (d) vacation pay received or receivable under the provisions of Article 13 of the Collective Agreement, of which an amount equal to 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the first week of Company designated vacation; the second 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the second week of Company designated vacation; the third 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the third week of Company designated vacation; and vacation pay for any other scheduled vacation shall be considered compensation applicable to the week during which such vacation is taken.

However, where an employee has applied for and received vacation time under the provision of Article 13.08 of the Collective Agreement, an amount equal to 40 hours of such vacation pay shall be considered compensation applicable to each week of vacation granted under Article 13.08 of the Collective Agreement and any remaining vacation pay will be allocated according to the normal provisions of Article 2.02 (a) (v).

(2) "Hourly Rate" (exclusive of Cost-of-Living Allowance) means:

- (a) for a non-incentive worker, the straight-time hourly base rate of the employee on the day prior to his/her layoff;
- (b) for an incentive worker, his/her average earnings as determined under Section 14.12 of the Collective Agreement.

(3) "Plan" means the Automatic Short Week Benefit Plan as set forth in this Part C.

(4) "Week" when used in connection with eligibility for and computation of Automatic Short Week Benefits with respect to an employee means a short work week.

## **PART D**

### **INSURED SUPPLEMENTAL UNEMPLOYMENT DISABILITY BENEFIT PLAN**

The intent of the Plan is to supplement Unemployment Insurance Benefits made during a period of time when an employee is disabled up to the maximums set out in the Plan and not to replace or duplicate such benefits.

## Section 1 **Definitions**

- 1.01 Any word or phrase used herein which has been defined in the Supplemental Benefit Plan established by the Company pursuant to the Agreement concerning Supplemental Unemployment Benefit Plan forming Exhibit "B" of the Collective Agreement and/or in the Insurance Plan forming Exhibit "A" of the Collective Agreement, shall have the same meaning in this Plan unless such work or phrase is defined herein.
- 1.02 "**Insurance Contract**" means the contract of insurance entered into between the Trustee and the insurance company for the purpose of providing the benefits set out herein.
- 1.03 "**Insurance company**" means the insurance company selected by the Trustees for the purpose of this Plan.
- 1.04 "**Benefit**" means the weekly benefit payable to an employee under the plan.
- 1.05 "**Qualification date**" means the Monday following receipt of all government approvals necessary under Section 1.05 (a) of Part A of this Plan.

## Section 2 **Benefits**

### 2.01 **Eligibility for a Benefit**

An employee shall be eligible for a benefit for any week beginning on or after the qualification date in which he/she meets all the eligibility requirements for a Weekly Indemnity Benefit under Section D of Part II of the Insurance Plan except that he/she is eligible for an Employment Insurance Benefit for the same week.

### 2.02 **Amount of Benefit**

The weekly benefit payable to an eligible employee is an amount which, when added to his/her Employment Insurance Benefit, equals 60% of the Maximum Insurable Earnings as established by the **Employment** Insurance Commission or **\$670.00** effective January 1, **2007** whichever is greater.

### 2.03 **Maximum Benefit**

The maximum benefit which will be paid is an amount which when added to the employee's **Employment** Insurance Benefit equals 75% of his/her normal weekly pay.

- 2.04 An employee shall have no vested right to benefits under this plan except if all eligibility conditions are met.

2.05 Payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or increased by payments received under this part.

### Section 3 **Contributions**

#### 3.01 **Company Contributions**

The Company will pay to the Trustee monthly the contributions required to meet the premium payments under the Insurance Contract.

#### 3.02 **Trustee Action**

The Trustee will maintain a Company contribution account in the Trust Fund with respect to Company contributions.

The Trustee will pay to the insurance company out of the Company contribution account the premium requirements under the Insurance Contract.

#### 3.03 **Limitation on Contributions**

The Company shall have no obligation to make contributions to the Trustee which are in excess of those required to meet the premium requirements under the Insurance Contract.

#### 3.04 **Maximum Company Contributions**

The maximum accumulation in the Company contributions account shall be an amount which would normally provide for two months of premium payments to the insurance company.

### Section 4 **Amendment and Termination**

#### 4.01 **Amendment**

Notwithstanding any other provision of the Agreement, the Company, with the consent of the Union may, during the term of this Agreement make revisions in the Plan not inconsistent with the purpose and basic provisions which shall be necessary to obtain and retain any or all rulings required under the Plan and the Agreement concerning the Plan. Any revisions shall adhere as closely as possible to the language and intent of the provisions of the Plan.

### **Part E Termination Pay Benefits**

1. Effective January 1, **2007** employees with ten (10) or more years seniority shall, upon severing their employment through retirement or through death, receive the following benefits:

- (i) \$1500.00, and
- (ii) \$300 for each full year of seniority between their 10th and 20th years of service, and
- (iii) \$550 for each full year of seniority between their 20th and 30th years of service.

No total payment for any one employee will exceed \$10,000.00.

Employees on disability retirement are eligible. If they should return to work monies received under this benefit will be deducted from future entitlement.

When a benefit is paid out, an amount equal to such benefit shall be transferred equally from the "B" and "C" fund to the "A" fund.

2. In the event that the plant shuts down or there is a significant event causing a major reduction in the work force which impacts on the Company's ability to recover payments under item 1, the parties will meet to discuss:

- (i) The overall viability of the plan
- (ii) The ability of the Company to recover payments made to employees under 1

**LEAR CORPORATION CANADA LTD.  
KITCHENER PLANT**

**SEVERANCE PAY PLANS**

**Exhibit "D" of the Collective Agreement**

between

**Lear Corporation Canada Ltd.**

and

**National Automobile  
Aerospace, Transportation and General  
Workers of Canada (C.A.W)**

and its

**Local Union #1524**

## AGREEMENT CONCERNING

## SEVERANCE PAY PLANS

This agreement made at Kitchener, Ontario this **10th** day of **November, 2006**.

BETWEEN:

LEAR CORPORATION CANADA LTD.  
KITCHENER PLANT

hereinafter called the "Company"

- and -

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS  
OF CANADA (CAW) AND ITS LOCAL UNION  
NO. 1524,

hereinafter collectively called the "Union".

WITNESSETH:

The parties hereto agree as follows:

1. This agreement covering the Severance Pay Plans attached, will form Exhibit "D" of the Collective Agreement between the Company and the Union dated **November 10, 2006**, and shall be deemed to be included as a sub-section of Article 18 as if set out in full therein.
2. This agreement and the plans shall be effective January 1, **2007** and continue in effect until December 31, **2010**. They shall be renewed automatically for successive one (1) year periods. Thereafter unless either party shall give written notice to the other at least two (2) months prior to December 31, **2010** (or any subsequent anniversary date) of its desire to amend, modify or terminate this Agreement and the Plans.

In witness whereof, this Agreement is executed on behalf of each party by its duly authorized representatives.

LEAR CANADA.

By

Rick VanHeukelom  
Scott French  
Keith Lock  
Joel Hauck  
Michael Thibodeau  
Fred Murovec  
Zachary Oliveira  
Keith Drimmie

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS OF  
CANADA (CAW) AND ITS LOCAL UNION #1524

by

Jim Woods	(Plant Chairperson)
Tim Mitchell	(Committeeperson)
Brian Little	(Committeeperson)
Scott Plant	(Committeeperson)
DonRobins	(Committeeperson)
Brian Kropf	(Benefit Rep.)
John Willcocks	(WSIB/EAP Rep.)
Dave Bailey	(President)
Bob Orr	(National Rep. C.A.W.)

## SEVERANCE PAY BENEFITS

### Severance Pay Plan

1. This Plan will become operative in the event of:
  - (a) A full plant closure
  - (b) Employees with at least five (5) years of service are on layoff as a result of a partial plant closure.
  - (c) Employees with at least ten (10) years of service are on indefinite layoff .
  - (d) Employees accepting layoff under clause 9.20 (E) are not eligible for partial plant closure benefits under this plan, if not affected.
2. Employees will be eligible for benefits under the Severance Pay Plan once they have exhausted or would have exhausted their SUB entitlements.
3. Benefits under this Plan will consist of a Severance Pay amount payable by the Company, and such amount shall be determined in accordance with the employee's years of seniority as the last day worked prior to the employee's layoff. The payment amount will be in accordance with the following table:

<u>Years</u>	<u>Partial Plant Closing/ Employees on L/O per 1(c)</u>	<u>Full Plant Closing</u>
5 less than 6 years	8,200	16,800
6 less than 7 years	9,000	18,000
7 less than 8 years	10,600	20,600
8 less than 9 years	11,900	21,900
9 less than 10 years	13,200	23,200
10 less than 11 years	22,200	25,000
11 less than 12 years	23,300	27,000
12 less than 13 years	24,500	29,000
13 less than 14 years	25,700	31,000
14 less than 15 years	26,800	33,000
15 less than 16 years	28,000	35,000
16 less than 17 years	29,200	37,000
17 less than 18 years	30,300	39,000
18 less than 19 years	31,500	41,000
19 less than 20 years	33,000	43,000
20 less than 21 years	35,000	45,000
21 less than 22 years	37,000	47,000
22 less than 23 years	39,000	49,000
23 less than 24 years	41,000	51,000
24 less than 25 years	43,000	53,000
25 +	45,000	55,000

4. Severance Pay benefits will be inclusive of legislated severance pay.



5. Acceptance of Severance Pay benefits will sever the employee's seniority.
6. Employees who accept Severance Pay benefits shall be granted an additional 1.9 years of credited service under the hourly employee's Pension Plan.

### **Partial Plant Closing**

In the event of a permanent job loss due to the discontinuance of a product (such as W-car, L-car, etc.) or ship item (Front Seat Back, Sport Back) , but not reductions related strictly to volume decreases , employees with five (5) or more years of seniority will be eligible for benefits under the Partial Plant Closing.

As of January 1, 1996 the Company has accumulated one hundred fifty-eight (158) credits and will accumulate one full credit for each new job introduced thereafter. New jobs shall not include volume increases on current jobs. The Partial Plant Closing provisions outlined below will not take effect until all credits accumulated from the introduction of new jobs are exhausted.

Where a new job is introduced, the number of credits will be established in the following manner:

- a) Three (3) months after the first production shipment the Company and the Union will attempt to determine whether the optimum number of jobs for credit has been reached. If the parties mutually agree that the optimum level has not been attained, a further re-evaluation date will be set.
- b) If a significant change or event takes place which results in a fluctuation in volume of 20% or more, the parties will review and establish a new credit reserve for that job.

When products or ship items are discontinued, which result in job loss, the credit reserve from the introduction of new jobs above will be applied against the total number of jobs affected by the layoffs. For jobs now in place (January 1996), the number of jobs affected by a product discontinuance or reductions other than volume, will be determined by establishing who would have been affected if the reduction took place approximately six months prior to the date of the last shipment of the product.

Benefits under the Partial Plant Closing shall be payable as follows:

1. Employees with over thirty (30) years of service and less than fifty-five (55) years of age will first be offered by inverse seniority, retirement without an actuarial reduction but will not be eligible for severance pay.
2. Employees with at least five (5) years of seniority who are on layoff as a result of a partial plant closing will be entitled to exercise their option to receive severance pay in accordance with the Partial Plant Closing schedule and conditions outlined in the Severance Pay Plan above.

Within one (1) year of layoff, an eligible employee must make application in writing for benefits under the Partial Plant Closing portion of this plan or he/she will forfeit such benefit.

If an eligible employee is recalled for 30 calendar days or more it will cancel eligibility entitlement for partial plant closure benefits.

Problems will be resolved within the spirit and the intent of the program.

## 2007 Calendar

JANUARY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## 2008 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2							1
6	7	8	9	10	11	12	3	4	5	6	7	8	9	2	3	4	5	6	7	8
13	14	15	16	17	18	19	10	11	12	13	14	15	16	9	10	11	12	13	14	15
20	21	22	23	24	25	26	17	18	19	20	21	22	23	16	17	18	19	20	21	22
27	28	29	30	31			24	25	26	27	28	29		23	24	25	26	27	28	29
														30	31					
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2		1	2	3	4	5	6
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30				
							31													
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

## 2009 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31								29	30	31				
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
							30	31												
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

## 2010 Calendar

JANUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

OCTOBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

MAY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MARCH						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SEPTEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**RETIREMENT PLAN  
FOR  
HOURLY UNION EMPLOYEES**

**Exhibit "C" of the Collective Agreement**

**between**

**LEAR CORPORATION  
KITCHENER PLANT**

**and**

**NATIONAL  
AUTOMOBILE, AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION OF CANADA (CAW)  
AND ITS LOCAL UNION NO. 1524**

**Adopted this 1<sup>st</sup> day of January 2005.**

## INDEX - PENSION PLAN

AGREEMENT CONCERNING PENSION PLAN .....	3
ARTICLE I - DEFINITIONS .....	4
ARTICLE II - GOVERNMENTAL APPROVAL .....	5
ARTICLE III - PENSION TRUST FUND .....	5
ARTICLE IV - DURATION OF AGREEMENT .....	6
ARTICLE V - SENIORITY .....	6
ARTICLE VI - TERMINATION .....	7
PENSION PLAN.....	8
ARTICLE I - DEFINITIONS .....	9
ARTICLE II - APPLICABILITY OF PLAN AND EFFECTIVE DATE .....	12
ARTICLE III - SERVICE CREDITS.....	12
Section 3.01 - Crediting of Service .....	12
Section 3.02 - Past Service.....	13
Section 3.03 - Future Service .....	13
Section 3.04 - Transfer Into Bargaining Unit .....	15
Section 3.05 - Purchase of Credited Service.....	15
ARTICLE IV - RETIREMENT .....	15
Section 4.01 - Normal Retirement .....	15
Section 4.02 - Early Retirement.....	16
Section 4.03 - Disability Retirement.....	16
Section 4.04 - Deferred Vested Pension .....	18
Section 4.05 - Automatic Retirement.....	18
Section 4.06 - Survivor's Benefits .....	19



ARTICLE V - RETIREMENT BENEFITS.....	21
Section 5.01 - Normal Retirement Benefit .....	21
Section 5.02 - Regular Early Retirement Benefit.....	22
Section 5.03 - Disability Retirement Benefits.....	26
Section 5.04 - Supplementary Retirement Benefit .....	26
Section 5.05 - Deferred Vested Pension Benefit .....	27
Section 5.06 - Weekly Sickness and Accident Benefits .....	28
Section 5.07 - Benefits Payable to Incompetents.....	28
Section 5.08 - Vesting .....	29
Section 5.09 - Survivor's Benefits .....	29
Section 5.10 - Re-employed Retired Employee .....	30
Section 5.11 - Maximum Benefits .....	30
Section 5.12 - Benefits Prior to January 1, 1988 .....	31
 ARTICLE VI - NON-ALIENATION OF BENEFITS .....	 31
 ARTICLE VII - BOARD OF ADMINISTRATION .....	 32
Section 7.01 - Establishment .....	32
Section 7.02 - Function .....	32
Section 7.03 - Jurisdiction of Board of Administration .....	33
Section 7.04 - Powers .....	33
Section 7.05 - Quorum; Voting .....	34
Section 7.06 - Compensation and Expenses .....	34
Section 7.07 - Liability of Members.....	35
Section 7.08 - Actuarial & Pension Trust Fund Information .....	35
 ARTICLE VIII - PENSION TRUST FUND.....	 36
 ARTICLE IX - MODIFICATION OR DISCONTINUANCE .....	 37
Section 9.01 - Amendment or Termination of Plan .....	37
Section 9.02 - Disposition of the Pension Trust Fund .....	37
 ARTICLE X - APPLICABLE LAW .....	 39
 LETTER OF AGREEMENT – Reduction of Monthly Supplemental Pension .....	 41
 LETTER OF AGREEMENT- Standards for Application .....	 41
 LETTER OF AGREEMENT – Reductions in Pensions Due to Revenue Canada Rules .....	 42
 LETTER OF AGREEMENT – Early Retirement Window.....	 42
 LETTER OF AGREEMENT - Lump Sum Retirement Allowance.....	 43

AGREEMENT CONCERNING PENSION PLAN

Agreement made at Kitchener, Ontario, this **16th day of December, 2004**

between

LEAR CORPORATION

KITCHENER PLANT

(hereinafter called the "Company")

- and -

NATIONAL  
AUTOMOBILE , AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION OF CANADA (CAW)  
AND ITS LOCAL UNION #1524

(hereinafter called the "Union")

WHEREAS:

The Company and the Union have agreed that the Agreement Concerning Pension Plan between the parties dated January 16, 1985 and the Pension Plan being Schedule "A" thereto, both as heretofore amended shall be further amended so that, effective **January 1, 2005**, the said Agreement and Plan shall read as hereinafter set forth, provided that acceptance, approval and registration of the said Agreement and Plan as so amended are obtained and continued thereafter as required by Article II hereof.

WITNESSETH:

The parties hereto agree as follows:

## ARTICLE I - DEFINITIONS

As used herein:

### Section 1.01

- a) "Plan" means the Pension Plan negotiated and agreed to by the Company and the Union set forth in Schedule "A" hereto.
- b) "Qualified Actuary" means an independent actuary selected by the Company who is a Fellow of the Canadian Institute of Actuaries.
- c) "Future Service Cost" means an amount computed by a qualified actuary to fully fund the cost attributable to service after June 30, 1968 (referred to in the Plan as "Future Service") on the basis of the benefit structure in effect at the time such service is rendered.
- d) "Lump Sum Past Service Cost" with respect to the benefit structure of the Plan means an amount computed by a Qualified Actuary which would fund the cost attributable to service before July 1, 1968 (referred to in the Plan as "Past Service") if paid in a lump sum on July 1, 1968, and with respect to each subsequent revision in the benefit structure of the Plan which shall substantially affect the cost of funding the Plan means an amount computed by a Qualified Actuary which would fund the cost of such revision attributable to service before the effective date thereof (whether "Past" or "Future" Service within the meaning of Article III of the Plan) if paid in a lump sum on such effective date.
- e) "Past Service Effective Date" with respect to the original Lump Sum Past Service Cost of the Plan means July 1, 1968 and with respect to the additional Lump Sum Past Service Cost attributable to each revision in the benefit structure of the Plan which shall substantially affect the cost of funding the Plan means the effective date of such revision.

## **ARTICLE II - GOVERNMENTAL APPROVAL**

### **Section 2.01**

- a) The obligation to establish and maintain the Plan as herein provided is subject to the requirement that acceptance by the Minister of National Revenue of such Plan and any amendments thereto as a "registered pension fund or plan" as defined in the Income Tax Act entitling the Company to deduct its contributions under the Income Tax Act or any other applicable tax laws in Canada, as such laws are now in effect or are hereafter amended or enacted, is obtained and that such acceptance is continued thereafter. The obligation to establish and maintain the Plan as herein provided is subject also to the requirement that the Plan is accepted for registration under the Pension Benefits Act, R.S.O. 1990 and any other applicable laws now or hereafter enacted and that such acceptance and registration is continued thereafter. The Company shall submit the Plan and any amendments thereto and such supporting information in connection therewith as may be required for the purpose of obtaining such acceptance and registration.
- b) In the event that any revision in the Plan is necessary to obtain such acceptance and registration, such revision shall be a matter for further negotiation between the parties. In negotiating any such revision the parties shall adhere as closely as possible to the intent of the Company and the Union as expressed in this Agreement and in the Plan.

## **ARTICLE III - PENSION TRUST FUND**

### **Section 3.01**

- a) The Company agrees that during the term of this Agreement it will from time to time make contributions to a trust fund (hereinafter called the "Pension Trust Fund") in an aggregate amount which, together with its contributions heretofore made, shall be sufficient, based on estimates made by a Qualified Actuary, to fund the Future Service Cost, the Lump Sum Past Service Costs, and experience deficiencies if any, in accordance with the provisions of the Pension Benefits Act, R.S.O. 1990.
- b) Nothing herein shall be deemed to prevent the Company from making contributions towards the Lump Sum Past Service Costs greater than those required under this section, nor shall a greater contribution in any year be construed to reduce any Maximum Funding period established in the Pension Benefits Act, R.S.O. 1990 as amended from time to time. The Company shall not be obligated to make additional payments to the Pension Trust Fund to make up deficiencies in any

year caused by depreciation in the value of the securities in the Pension Trust Fund resulting from abnormal conditions, except as may be required under the provisions of the Pension Benefits Act, R.S.O. 1990.

- c) The Company shall cause the Union to be furnished annually with a statement certified by a Qualified Actuary that the amount of the assets of the Pension Trust Fund is not less than the amount then required by sub-section (a) of this section to be in the Pension Trust Fund.

## **ARTICLE IV - DURATION OF AGREEMENT**

### **Section 4.01**

During the period from **January 1, 2005** to **December 31, 2007**, neither party shall demand any change in this Agreement or in the Plan (except as otherwise provided in Article II above), nor shall either party be required to bargain with respect to this Agreement or the Plan, nor shall a change in or addition to this Agreement or the Plan be an objective of or be stated as reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or the Company.

## **ARTICLE V - SENIORITY**

### **Section 5.01**

The seniority of an employee who retires under the Plan shall be deemed to have ceased for the purposes of applying any Collective Agreement, except to the extent that the right of any employee retired for total and permanent disability to reinstatement without loss of seniority shall be preserved by the provisions of any such Agreement relating to leaves of absence due to disability.

If an employee on either normal or early retirement shall be re-employed by the Company, he shall be considered, during such period of re-employment as an employee without seniority rights for any purpose of tenure or retention of, or advancement in, employment on any particular job; but shall be treated on the basis of the seniority he had at the time of retirement for purposes of applying the eligibility rules applicable to paid holidays and vacations with pay, it being understood that while working in the Bargaining Unit covered by any such Collective Agreement, he shall be considered an employee covered by such Collective Agreement except in the respects indicated above.

It is understood that attainment of automatic retirement age shall not, in and of itself, terminate any rights provided by a Collective Agreement to be recalled to work or to be reinstated at the expiration of an approved leave of absence before actual retirement under the Plan, even though the employee may be

subject to automatic retirement immediately upon his return to employment.

## ARTICLE VI - TERMINATION

### Section 6.01

- a) This Agreement and the Plan shall continue in effect until the 31st day of December, **2007**.
- b) This Agreement and the Plan shall be automatically renewed for successive one year periods unless either party shall, two months prior to the date of expiration (or to any subsequent anniversary date), give written notice to the other party of its desire to amend or terminate this Agreement or the Plan.
- c) If such notice is given prior to the 31st day of October, **2007**, then unless otherwise mutually agreed this Agreement shall continue in effect until the Collective Agreement between the parties dated the **16th day of December, 2004** shall be terminated as therein provided.
- d) The foregoing provision for automatic renewal for periods of one year shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for such an agreement.
- e) Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.
- f) Any notice under this section shall be in writing and shall be sufficient, if to the Union, if sent by registered mail addressed to the President of The National Automobile, Transportation & General Workers Union of Canada (CAW), 205 Placer Court, Willowdale, Ontario, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, if sent by registered mail addressed to the Manager of Human Resources, Lear Corporation, 530 Manitou Drive, Kitchener, Ontario, or to such other address as the Company shall furnish to the Union in writing.

In WITNESS WHEREOF the said parties have hereunto signed as authorized by the Board of Directors of Lear Corporation.

Signed this **16th day of December 2004** at Kitchener, Ontario.

For the Company:

Rick VanHeukelom

John Fowler

Keith Lock

Michael Thibodeau

Fred Murovec

Zachary Oliveira

Wayne Martin

Wilf Baurose

For the Union:

Jim Woods - Plant Chairperson

Al Malott - Committeeperson

Tim Mitchell - Committeeperson

Mike Pigeau - Committeeperson

Dave Bailey - President

Jim Trask - Committeeperson

Wayne MacKay - National Representative

Brian Kropf - Benefits Representative

## **PENSION PLAN**

Being Schedule "A" to the Agreement concerning Pension Plan as amended effective January 1, **2005** between Lear Corporation, Kitchener Plant and National Automobile, Aerospace, Transportation & General Workers Union of Canada (CAW) and its Local Union #1524, hereinafter called the "Agreement".

## **ARTICLE I - DEFINITIONS**

### **Section 1.01**

As used herein:

- a) "Act" means the Pension Benefits Act of Ontario, R.S.O. 1990 and any future legislation amending, supplementing or replacing it, and including any regulations issued pursuant to it.

- b) "Actuary" shall mean the actuary or firm of actuaries retained by, but independent of, the Company and qualified through fellowship of the Canadian Institute of Actuaries.
- c) "Actuarial Equivalent" shall mean a benefit of equal value computed at the rate of interest and using the actuarial tables last adopted by the Company on the recommendation of the Actuary, and in accordance with the Act.
- d) "Bargaining Unit" means the Bargaining Unit described in Article II of the Plan.
- e) "Board" means the Board of Administration provided for in Article VII of the Plan.
- f) "Collective Agreement" means the Collective Agreement between the Company and the Union.
- g) "Company" means Lear Corporation, Kitchener Plant.
- h) "Compensation" has the meaning given in the Income Tax Act, and includes a prescribed amount.
- i) "Commuted Value" shall mean, in relation to benefits that an Employee has a present or future entitlement to receive, the actuarial present value of those benefits determined, as of the time in question, in accordance with the recommendations for the computation of transfer values issued by the Canadian Institute of Actuaries from time to time, or the money representing the value.
- j) "Employed" means enrolled on the employment rolls of the Company (in the Bargaining Unit unless the context shall indicate otherwise).
- k) "Employment" means the status of being so enrolled.
- l) "Employee" means a person in Employment; and "Terminated" and "Termination" (when used in connection with Employment) means to be removed from the Employment rolls for any reason. (It is understood that the definitions of the foregoing terms are not intended to affect in any way the meaning to be attributed to comparable terms under the Collective Agreement or the status of any individual thereunder.)
- m) "Governmental Pension" means any monthly benefit payable under the Canada Pension Plan, Old Age Security Act or any other old age or disability benefit payable under any legislation enacted by the Government of Canada or by the government of any province of Canada (other than an old age



or disability benefit payable on the basis of need or because of military service), which an employee or retired employee is entitled to receive determined on the basis of the amount of such benefit as of the date of his retirement. If, however, such employee or retired employee has the option of receiving a governmental pension in a reduced amount on account of receiving it commencing at an earlier age, governmental pension means the governmental pension which would have been payable if the employee had not exercised such option.

- n) "Government Pension Age" means the age at which any benefit becomes payable under the provisions of the Old Age Security Act.
- o) "Income Tax Act" shall mean the Canadian Income Tax Act and the Regulations thereto.
- p) "Lifetime Retirement Benefits" shall mean equal periodic payments which, once they commence to be paid to an Employee of a pension plan, will continue to be paid until death unless suspended or commuted before that time.
- q) "Minister" shall mean the Minister of National Revenue.
- r) "Normal Retirement" means retirement under Section 4.01 and 4.05 of the Plan.
- s) "Pension Adjustment" shall be as defined in the Income Tax Act.
- t) "Pension Trust Fund" means the trust fund provided for in Article VIII of the Plan.
- u) "Plan" means the Pension Plan described herein.
- v) "Plan Year" means the year commencing on each January 1, and ending in the following December 31.
- w) "Prior Pension Plan" means the Pension Plan for hourly rated employees as in effect immediately prior to **January 1, 2005**.
- x) "Regular Early Retirement" means retirement under Section 4.02 (a) of the Plan.
- y) "Special Early Retirement" means retirement under Section 4.02 (b) of the Plan.
- z) "Retired Employee" means an employee who has retired under the Plan.

- aa) "Spouse" shall mean either of two persons who
  - (a) are married to each other; or
  - (b) are not married to each other and are living together in a conjugal relationship;
    - (i) continuously for a period of not less than one year; or
    - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act, 1986. and are not living separate and apart at the time in question.
  
- ab) "Trustee" means the Trustee holding the Pension Trust Fund.
  
- ac) "Union" means National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW) and its Local Union #1524.

In this Plan, unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine gender and vice versa.

## ARTICLE II - APPLICABILITY OF PLAN AND EFFECTIVE DATE

### Section 2.01

- a) The Plan shall be applicable to hourly rated employees and retired employees included within the Bargaining Unit described in the Collective Agreement dated the 1st day of January, **2005**.
- b) The Plan shall also be applicable (to the extent specifically provided for herein) to hourly rated employees who shall have retired under the Plan or whose Employment shall have been Terminated prior to January 1, **2005**.
- c) It is understood that benefits payable in respect of Terminations of Employment, for any reason other than retirement, occurring prior to January 1, **2005**, will be paid in accordance with the terms of the Plan as it was constituted on the date such Termination of Employment occurred.
- d) A person must be in Employment in the Bargaining Unit referred to in this Article at the time of his retirement in order to retire under the Plan except as otherwise provided herein.
- e) The effective date of the Plan is July 1, 1956.

## ARTICLE III - SERVICE CREDITS

### Section 3.01 - Crediting of Service

- a) An Employee who retired under the Plan shall be credited with his future service as provided in Section 3.03. He shall also be credited with his past service as provided in Section 3.02 if:
  - i) he was in employment on July 1, 1968;
  - ii) not having been in employment on July 1, 1968 he subsequently was reinstated in employment without his seniority rights having ceased, or;
  - iii) he is entitled to credit for past service following a transfer from other employment under the provisions of Section 3.04.
- b) No future or past service shall be credited with respect to any period of employment preceding a cessation of his seniority rights which occurred subsequent to July 1, 1968 and which was not caused by his retirement under the Plan; provided, however, that:
  - i) an Employee meeting the age and service conditions for a deferred vested pension benefit under Section 4.04 of the Plan at the time when his seniority rights shall cease on or after July 1, 1968, shall have in lieu of the benefits for which he is eligible under Section 4.04 such future and past service as would have been used in the computation of such deferred vested pension benefit credited to him upon his again acquiring seniority rights (or his being rehired on or after July 1, 1968) prior to the commencement of such benefits; and

- ii) an Employee whose seniority rights shall cease on or after January 1, 1968, shall, upon proper application, have the future and past service that was creditable to him at the time his seniority rights ceased credited to him upon again acquiring a seniority date prior to commencing to receive benefits under the Plan.

For the purpose of the Plan, an Employee's seniority rights shall be considered to have ceased when they have ceased within the meaning of the Collective Agreement in effect when such cessation of seniority rights occurs. The provisions of Clause (ii) of the first sentence of this sub-section (b) shall not be applicable to any Employee who shall have retired prior to July 1, 1968, except as provided under the Prior Plan.

### **Section 3.02 - Past Service**

Past service shall be computed to the nearest quarter year and shall be credited at the rate of:

- a) one year for each year of the Employee's seniority as of July 1, 1968 (as computed pursuant to Section 8 of the Pension Plan for Bargaining Unit employees, as in effect on June 30, 1968); plus
- b) in the case of an Employee transferred into the Bargaining Unit from other employment by the Company prior to July 1, 1968, without seniority credit for his service prior to such transfer, one year for each year of additional seniority he would have if the seniority provisions referred to in (a) above were applied to his service with the Company preceding the date of such transfer.

### **Section 3.03 - Future Service**

- a) Future service shall be credited to an Employee at the following respective rates for each 12 month period subsequent to June 30, 1968 and prior to the end of the month in which he attains age 65, or his prior retirement:
  - i) one year for each 12 month period in which the Employee receives pay from the Company for 1,700 or more hours;
  - ii) a proportionate credit to the nearest one-tenth of a year for each 12 month period in which the employee receives pay from the Company for less than 1,700 hours.
- b)
  - i) For the purpose of computing hours for which an Employee receives pay from the Company under this section, an Employee who, after January 1, 1985, shall be absent from work because of occupational injury or disease incurred in the course of his employment and who, on account of such absence receives Worker's Compensation, shall receive future service credit based on 40 hours per week during such absence provided that no Employee shall be credited with service under this section after his employment has been terminated, and no Employee shall be credited with service for any week during such absence in which he has obtained other employment while on the leave of absence.
  - ii) An Employee who, after December 31, 1981 shall be absent from work by reason of layoff or because of a disability covered by the weekly indemnity part of the insurance plan, shall

be credited with 40 hours for each complete calendar week of such absence during such year in addition to any other hours credited provided that such Employee shall have received pay from the Company during that year for at least 170 hours, and provided further, that if such layoff or sick leave continues after that year he shall be credited with 40 hours for each complete calendar week of absence after that year provided that such Employee shall have received pay from the Company during that year for at least 170 hours, not to exceed 1530 hours of credit for all such absence commencing with the calendar year in which the layoff or disability occurred.

- iii) an Employee with 10 or more years of seniority who is absent from work by reason of layoff, shall receive additional credited service of 40 hours for each complete week of layoff up to a maximum of 1700 hours of credit. This applies to employees who will have received the current maximum of 1530 hours of credit, and who continue to be absent thereafter due to such layoff.
  - iv) For the purpose of computing hours for which an Employee receives pay from the Company under this section, an Employee who, after December 20, 1990, shall be absent from work because of maternity or parental leave, as defined in the Ontario Employment Standards Act, shall receive future service credit based on 40 hours per week during such absence provided that no Employee shall be credited with service under this section after his employment has been terminated, and no Employee shall be credited with service for any week during such absence in which he has obtained other employment while on the leave of absence.
- c) In addition to the hours provided for above, an Employee shall receive future service credit based on hours:
- i) in periods during which he shall have been engaged in the business of, or working for, his Union local while on approved leave of absence requested by such local; and
  - ii) in periods during which he shall have held a position on the staff of the National Union while on approved leave of absence requested by the Union.

Such hours, for the purpose of this paragraph shall be counted at the rate of 40 hours per week for any period during such leave. Such periods of leave shall be unlimited provided the Employee qualifies as a "loaned employee" under the Income Tax Act.

- d) If an Employee who retired under the Plan or was retired under the Plan for reasons other than total and permanent disability is re-employed, such Employee shall not accumulate any additional creditable service on or after July 1, 1968 by reason of such re-employment.

### **Section 3.04 - Transfer Into Bargaining Unit**

An employee outside the Bargaining Unit who shall, after July 1, 1968, transfer into the Bargaining Unit, and who shall retire under the provisions of this Plan shall be credited upon retirement with:

- i) his creditable service for the period following his transfer into the Bargaining Unit, plus;

- ii) either such creditable service as he would have been entitled to for the period prior to such transfer had he remained in and retired while in employment outside the Bargaining Unit under a retirement pension plan of the Company applicable to such employees, including him, with the effect that his retirement benefit under the Plan shall be computed as if the creditable service under both (i) and (ii) above had been attributable to employment in the Bargaining Unit, or, if he has not been under a retirement pension plan of the Company, such creditable service as he would have been entitled to for the period prior to such transfer had he been in employment in the Bargaining Unit during such period; it being understood, however, that there shall be no duplication of creditable service for the same period of time, under seniority provisions or otherwise.

### **Section 3.05 - Purchase of Credited Service**

The Company agrees that Employees will be allowed to purchase additional service credits for service prior to **January 1, 2005**. The maximum service that may be purchased is the difference between the Employee's service based on seniority date and their credited service. Employees may not purchase service for which they have already earned pension credit under any other plan.

In order to purchase additional service credits for service prior to **January 1, 2005**, Employees must make application during a two month period during **2005**, as specified by the Company. Members will have ninety (90) days, immediately following the cost being provided by the Company, to pay for these additional service credits into the Pension Trust Fund.

The cost of the additional service credits will be determined by the Plan actuary using assumptions agreed to by the Union, in a manner that is cost neutral to the Company. The employee will pay all costs directly.

## **ARTICLE IV - RETIREMENT**

### **Section 4.01 - Normal Retirement**

- a) An Employee shall be deemed to have reached normal retirement age on his 65th birthday.
- b) An Employee who shall retire at any time upon or after reaching normal retirement age shall be eligible for a normal retirement benefit as provided in Article V of the Plan.
- c) Any Employee whose employment shall be terminated (other than by death) on or after reaching normal retirement age shall have the right to retire under the Plan.

### **Section 4.02 - Early Retirement**

#### **Regular Early Retirement**

- a) On or after **January 1, 2005**, an Employee (not retired prior to such date) who;

- i) shall have reached his 60th birthday but not his normal retirement age, and shall have 10 or more years of creditable service; or,
- ii) shall have reached his 55th but not his 60th birthday and whose combined years of age (to the nearest 1/12th) and creditable service shall total at least 85; or,
- iii) shall have 30 or more years of creditable service; or,
- iv) shall have reached his 55th birthday and is eligible for a deferred vested pension, but does not meet the requirements of any of i), ii), or iii) of this Section 4.02(a) or of Section 4.02(b)

may retire at his option and upon making due application therefore, shall be eligible for a Regular Early Retirement benefit as provided in the applicable provisions of Section 5.02 of the Plan.

### **Special Early Retirement**

- b) On or after **January 1, 2005**, any Employee (not retired prior to such date) who shall have reached his 55th birthday (50th birthday who is laid off on or after **January 1, 2005** as a result of a plant closing) but not his normal retirement age and shall have 10 or more years of creditable service may be retired at the option of the Company or under mutually satisfactory conditions, and, upon making due application therefore, shall be eligible for a Special Early Retirement benefit as provided in the applicable provisions of Section 5.02 of the Plan.

The present value of any early retirement pension must not exceed the present value limits prescribed by Revenue Canada, Taxation.

### **Section 4.03 - Disability Retirement**

- a) If the Board shall find that an Employee is totally and permanently disabled;
  - i) on or after **January 1, 2005**,
  - ii) with at least 10 years of creditable service, and
  - iii) prior to reaching normal retirement age,

such Employee thereupon shall be retired for total and permanent disability (which status is referred to in the Plan as "disability retirement") and shall be eligible for a disability retirement benefit as provided in the applicable provisions of Section 5.03 of the Plan.

- b) An Employee shall be deemed to be totally and permanently disabled only if he is not engaged in regular employment or occupation for remuneration or profit (excluding employment or occupation which the Board determines to be for purposes of rehabilitation) and if the Board shall find, on the basis of medical evidence or application made for Board determination of continuing eligibility for disability retirement on or after **January 1, 2005**:
  - i) that he is totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any regular occupation or employment with the Company, and;
  - ii) that such disability will be permanent and continuous during the remainder of his life.

- c) In any case where the Board is required to make a determination with respect to the total and permanent disability of any Employee applying for, or of a Retired Employee on, disability retirement, the Employee first shall be required to submit to an examination by a competent physician or physicians selected by the Board and shall be required to submit to such re-examination as shall be necessary for the Board to make a determination concerning his physical or mental condition. An Employee or Retired Employee who shall refuse to submit to any physical examination properly requested under the Plan shall not be placed or continued on disability retirement.
- d) Any Retired Employee on disability retirement shall be required to submit to a disability examination at any time during such retirement for the purpose of determining his condition whenever such examination is requested by at least three members of the Board but not more often than semi-annually. If the Board shall find that he no longer is totally and permanently disabled, his disability retirement shall cease.
- e) If the disability retirement of a Retired Employee retired for disability shall cease, and his seniority is thereupon reinstated, he shall be credited upon subsequent retirement with the creditable service he had at the time his disability retirement commenced, provided that there has been no cessation of his seniority rights following the date of such reinstatement.

#### **Section 4.04 - Deferred Vested Pension**

- a) Notwithstanding any other provisions of the Plan, any employee whose employment shall be terminated on or after July 1, 1968, and; who shall not be eligible for or receiving any other type of retirement benefit under the Plan based (in whole or part) on service prior to the date of such termination, shall
  - i) if he has completed ten or more years of creditable service receive a deferred vested pension benefit relative to service prior to January 1, 1987, and
  - ii) if he has been a member of the Plan for a continuous period of at least 24 months during which he accrued creditable service, receive a deferred vested pension benefit relative to service on or after January 1, 1987, and relative to any increases in benefit which result from Plan amendments made on or after January 1, 1987.

Such deferred vested pension benefit to be as provided in Section 5.05 of the Plan.

- b) An Employee who on termination of Employment is entitled to a deferred retirement benefit under this section may elect and direct that the Commuted Value of the deferred retirement pension be



paid:

- i) to the pension fund related to another pension plan if the administrator of the other pension plan agrees to accept the payment and agrees to administer these funds in accordance with the provisions of the Act, or
  - ii) into a retirement savings arrangement prescribed for such purposes by the Act, or
  - iii) for the purchase of a life annuity that will not commence before the earliest date on which the Employee would have been entitled to receive a pension under the Plan.
- c)
- i) Application for a deferred vested pension benefit based on service prior to January 1, 1965 must be made to the Board by an applicant otherwise eligible therefor during his lifetime but not earlier than 90 days prior to the date on which he elects to have his benefit commence under Section 5.05, and not later than his 69th birthday; otherwise no such Deferred Vested Pension benefit shall be payable to him at any time.
  - ii) Application for a deferred vested pension benefit based on service on and after January 1, 1965 must be made to the Board by an applicant otherwise eligible therefore during his lifetime but not earlier than 90 days prior to the date on which he elects to have his benefits commence under Section 5.05.
  - iii) Application for a deferred vested pension benefit based on service before, and on or after January 1, 1965 must be made to the Board by an applicant otherwise eligible therefore, in accordance with Section 4.04(c)(i) with respect to service before January 1, 1965 and in accordance with Section 4.04(c)(ii) with respect to service on and after January 1, 1965.
- d) Commencing July 1, 1968 any person eligible for a deferred vested pension benefit who has not applied therefor by the 90th day prior to his 65th birthday shall be notified of his rights to apply under the Plan. The notice shall be mailed on or about such 90th day to his last address on Company records.

#### **Section 4.05 - Automatic Retirement**

An Employee shall be retired automatically under the Plan on the first day of the month following his 65th birthday.

#### **Section 4.06 - Survivor's Benefits**

- a) If an Employee dies on or after July 1, 1968 and;
- i) on or after he shall have reached his 60th birthday, or shall have reached his 55th birthday with combined years of age (to the nearest 1/12th) and creditable service that totals at least 85, or shall have 30 or more years of creditable service, and;
  - ii) at death he had 10 or more years of creditable service, and;
  - iii) his Employment had not terminated prior to his death, or, if his Employment had terminated

by retirement on or after January 1, 1988, he dies before the date when his retirement benefits are to commence, and;

- iv) he is survived by a Spouse, then the Employee's surviving Spouse shall be eligible upon due application therefore to receive the monthly survivor's benefit described in Section 5.09 (a) of the Plan.

It is provided however that the Spouse may elect to receive a lump sum payment equal to the Commuted Value at the date of death of any pension accrued from January 1, 1987 to the date of death in accordance with Section 5.01 and the survivor benefit otherwise payable will be reduced accordingly.

- b) If an Employee dies on or after December 31, 1986 with an entitlement to a deferred retirement benefit, and prior to his retirement date, and is not eligible for a survivor's benefit in accordance with Section 4.06(a) there shall be payable to the surviving Spouse or, if none, his named beneficiary, or, if none, his estate, a lump sum payment. The lump sum payment shall be the Commuted Value at the date of death of any pension accrued from January 1, 1987 to the date of death in accordance with Section 5.01.

In lieu of the above lump sum payment the surviving Spouse shall be entitled to an immediate or deferred pension the Commuted Value of which is equal to the lump sum payment.

An Employee, with the consent of his Spouse, may waive the survivor provisions under this Section 4.06 (b) by completing a pre-retirement death waiver form, which must be signed by both the Employee and Spouse.

- c) In lieu of the applicable retirement benefit provided in Sections 5.01, 5.02, 5.03, or 5.05, an Employee with a Spouse, who retires on or after March 1, 1985, (including for purposes of this section a former Employee whose Employment terminated on or after July 1, 1968 and is entitled to a deferred vested pension benefit) will receive a reduced monthly benefit during his lifetime, as provided in Section 5.09 (b) of the Plan, and a monthly survivor's benefit, as provided in Section 5.09 (c) of the Plan, which shall be payable, after his death, to his designated Spouse during the further lifetime of the Spouse.

An Employee, with the consent of his Spouse, may waive the survivor provisions under this Section 4.06 (c) by completing a spousal waiver form, which must be signed by both the Employee and Spouse.

In the event that the Employee's designated Spouse dies before the date on which the first pension

benefit is payable, the survivor provisions will be automatically cancelled.

Where the Employee and his designated Spouse have waived the survivor provisions and the Employee dies before the date on which the first pension benefit is payable, the survivor provisions will be automatically implemented.

In the event the Employee's designated Spouse dies or, they are divorced by court decree, the terms of which do not expressly prohibit cancellation of the survivor annuity; or in the case of a common law relationship, terminate their cohabiting and residing together; after the date on which the first pension benefit is payable, such Employee may cancel the survivor benefit election and have his monthly basic pension benefit plus the temporary Special Allowance, if any, restored to the amount payable without such election, effective the first day of the third month following the month in which the Company receives (i) evidence satisfactory to the Company of the Spouse's death, or (ii) such Employee's written revocation of the election because of divorce or termination of their cohabiting and residing together, on a form approved by the Company and, if applicable, accompanied by evidence satisfactory to the Company of a final decree of divorce unless it is a violation of applicable law or court decree.

- d) A Spouse who is entitled to a lump sum cash settlement under the Plan in respect of a pre-retirement death of an Employee may direct the amount to be transferred to a registered retirement savings plan, or to another registered pension plan, or to a tax exempt trust or plan designated by him, subject to the Act and the Income Tax Act.

## **ARTICLE V - RETIREMENT BENEFITS**

### **Section 5.01 - Normal Retirement Benefit**

Commencing with the monthly benefit payable **January 1, 2005**, the amount of the monthly normal retirement benefit payable out of the Pension Trust Fund for an Employee eligible for a normal retirement benefit under the provisions of Section 4.01 of the Plan or under the provisions of the Prior Pension Plan in effect at the time of his retirement, who shall have made application to the Board therefore, shall be;

- a) **for an Employee retiring between January 1, 2005 and December 31, 2005 an amount equal to \$52.50 multiplied by the number of his years of credited service at retirement; for an employee retiring between January 1, 2006 and December 31, 2006 an amount equal to \$53.00 multiplied by the number of his years of credited service at retirement; for an Employee retiring between January 1, 2007 and December 31, 2007 an amount equal to**

**\$53.50 multiplied by the number of his years of credited service at retirement;**

- b) for a Skilled Trades Employee retiring between January 1, 2005 and December 31, 2005, an amount equal to \$56.50 multiplied by the number of his years of credited service at retirement; for a Skilled Trades Employee retiring between January 1, 2006 and December 31, 2006 an amount equal to \$57.00 multiplied by the number of his years of credited service at retirement; for a Skilled Trades Employee retiring between January 1, 2007 and December 31, 2007 an amount equal to \$57.50 multiplied by the number of his years of credited service at retirement;**

The monthly benefit payable from the Pension Trust Fund shall become payable to the Retired Employee, if he then shall be living, on the first day of the first month after he has retired, and shall be payable on the first day of each month thereafter during his lifetime.

#### **Retirees after January 1, 2005**

Commencing with the monthly benefit payable **January 1, 2005** and each subsequent January 1 up to and including **January 1, 2007**, the amount of the monthly normal retirement benefit under Sections 5.01, 5.02 or 5.03 as well as the Total Monthly Benefit Rate provided under 5.02(b)(2) used to determine the Temporary Special Allowance provided under 5.02 (b) and payable out of the Pension Trust Fund shall be amended as follows:

Basic pension benefits provided under Sections 5.01, 5.02 or 5.03 as well as the Total Monthly Benefit Rate provided under 5.02(b)(2) used to determine the Temporary Special Allowance provided under 5.02 (b) will be protected against inflation by a pension adjustment - based on 90% of the increase in the C.P.I..The increase in the CPI will be determined as the 12 month average of the CPI ending with the previous October 1 (base year 1986 = 100). This adjustment is calculated annually and payable on the January 1 of the year following the date used to determine the CPI increase. This pension adjustment is subject to the maximum such adjustment prescribed by the Income Tax Act.

#### **Current Retirees (Retirees before January 1, 2005)**

**A. Commencing January 1, 2005 the monthly benefits payable for all years of credited service shall be increased by \$1.00 with indexing to apply.**

**B. Retirees before January 1, 2005**

Commencing with the monthly benefit payable **January 1, 2005** the amount of the monthly normal retirement benefit under Sections 5.01, 5.02 or 5.03 as well as the Total Monthly Benefit Rate provided under 5.02(b)(2) used to determine the Temporary Special Allowance provided

under 5.02 (b) payable out of the Pension Trust Fund shall be amended as follows: increased by 90% of the increase in the CPI. The increase in the CPI will be determined as the 12 month average of the CPI ending with the previous October 1 (base year 1986 = 100). This adjustment is calculated annually and payable on the January 1 of the year following the date used to determine the CPI increase. This pension adjustment is subject to the maximum such adjustment prescribed by the Income Tax Act.

In no event will a retiree receive a greater pension than that available to an eligible active employee retiring at that time under similar circumstances.

No benefit increase for a retiree shall exceed the maximum increases as prescribed by Revenue Canada Taxation.

**Section 5.02 - Regular Early Retirement Benefit**

- a) Commencing with the monthly benefit payable **January 1, 2005**, the amount of the monthly regular early retirement benefit payable out of the Pension Trust Fund to an Employee who shall retire at his option on or after July 1st, 1968, under the provisions of Section 4.02 (a) of the Plan and who shall make application to the Board therefor, shall be a benefit payable monthly for life, commencing either on the first of the month following the date of early retirement or on the first of any subsequent month as specified in his application for early retirement, in an amount computed in accordance with Sections 5.01 above, multiplied by the applicable factor determined by his attained age when benefits commence as follows:
  - i) for Employees retired under the provisions of Section 4.02 (a) prior to January 1, 1979 and for Employees retiring under the provisions of Section 4.02 (a) (i) or (ii) on or after January 1, 1979.

<u>Age When Benefits Commence</u>	<u>Applicable Factor</u>
47	.304
48	.328
49	.354
50	.383
51	.415
52	.450
53	.489
54	.532
55	.579
56	.635
57	.694
58	.752
59	.808
60	.867
61	.933
62 and over	1.000

- ii) for Employees retiring under the provisions of Section 4.02 (a) (iii) on or after January 1, 1979.

On or after Age When Benefits Commence	On or after Jan. 1/79 But Before Jan. 1/80	On or after Jan. 1/80 But Before Jan. 1/81	On or after Jan. 1/81 But Before Jan. 1/82	On or after Jan. 1/82
45				.462
46				.494
47	.354	.415	.489	.532
48	.383	.450	.532	.579
49	.415	.489	.579	.635
50	.450	.532	.635	.694
51	.489	.579	.694	.752
52	.532	.635	.752	.808
53	.579	.694	.808	.867
54	.635	.752	.867	.933
55	.694	.808	.933	1.000
56	.752	.867	1.000	
57	.808	.933		
58	.867	1.000		
59	.933			
60	1.000			

provided that for each additional full month of attained age when benefits commence the applicable factor shall be determined by a straight line interpolation from the factor applicable to the next lower age to the factor applicable to the next higher age in the above table, rounded to the nearest .001.

Effective **January 1, 2005**, when an Employee, retired under the provisions of Section 4.02(a) (i), (ii), of the Plan, reaches age 62, his regular early retirement benefit will be recalculated and the applicable age factor in 5.02 (a) (i) above, used in the original calculation will be disregarded. Such recalculated benefit will be paid commencing on the first of the month following his sixty-second birthday.

Effective **January 1, 2005** when an Employee, retired under the provisions of 4.02 (a) (iii) of the Plan, reaches age 60, his regular early retirement benefit will be recalculated and the applicable age factor in 5.02 (a) (ii) above, used in the original calculation will be disregarded. Such recalculated benefit will be paid commencing on the first of the month following his sixtieth birthday.

- iii) for Employees retiring under the provisions of Section 4.02(a)(iv) the applicable factor shall be determined as the Actuarial Equivalent value calculated using the Normal Retirement Age.

The following paragraph is to comply with the Income Tax Act and is in no way intended to increase or improve benefits under the Plan.

Notwithstanding this Section 5.02 a), where an Employee commences pension payments prior to his earliest unreduced date, as defined below, the level of such Employee's Lifetime Retirement Benefits must be reduced, by at least 1/4 percent for each month (3% per year) that the commencement date precedes the Employee's earliest unreduced date. For the purpose of this paragraph, the Employee's earliest unreduced date shall be the earlier of (a) the date the Employee attains age 60, (b) the day the Employee has completed at least 30 years of continuous service, or (c) the date the Employee's age plus years of continuous service equals a total of 80.

b) Temporary Special Allowance

A temporary special allowance is payable to those who retire with 30 or more years of credited service and have reached at least age 55. This allowance would be payable through the month in which the Retired Employee reaches the age of 60. This amount will be calculated at the Employee's retirement date and shall be equal to 2) minus 1):

- 1) the monthly retirement benefit determined by years of credited service times the basic and supplemental rates
- 2) the following amounts, determined at retirement:

	Date of Retirement	Amount of Total Monthly Benefits	
		Basic Benefit	Skilled Trades Benefit
i)	January 1, 2005	\$2,735	\$2935
ii)	January 1, 2006	\$2,765	\$2965
iii)	January 1, 2007	\$2,795	\$2995

This benefit is calculated at the Employee's retirement date and is thereafter subject to the increases outlined under Section 5.01 for Retirees after **January 1, 2005**.

c) Special Early Retirement

Commencing with the monthly benefit payable **January 1, 2005**, the amount of the monthly special early retirement benefit payable out of the Pension Trust Fund to an Employee who shall have retired prior to his normal retirement date after July 1, 1968, at Company option or under mutually satisfactory conditions under the provisions of Section 4.02 (b) of the Plan shall be computed in accordance with Section 5.01, above.

d) An Employee discharged for cause on or after July 1, 1968, and after he has attained the age and

service requirements for Regular Early Retirement but not for Normal Retirement under the provisions of the Plan in effect at the time of such discharge shall be entitled on application to the Board therefore only to regular early retirement benefits as provided under Section 5.02 (a).

- e) The monthly early retirement benefit shall become payable to the Retired Employee, if he then shall be living, on the first day of the first month after:
- i) he shall have become eligible for such benefit;
  - ii) his Employment shall have terminated; and
  - iii) he shall have filed application for such benefits with the Board;
- or on the first of such subsequent month as the Employee may elect or may have elected under the terms of the Plan and shall be payable on the first day of each month thereafter during his lifetime.

### **Section 5.03 - Disability Retirement Benefits**

Commencing with the monthly benefit payable **January 1, 2005**, the monthly retirement benefit payable out of the Pension Trust Fund to an Employee who shall be eligible for a disability retirement benefit under the provisions of Section 4.03 of the Plan for an Employee who shall have retired or shall retire on or after July 1, 1968, shall be an amount computed in accordance with Sections 5.01, above.

The monthly disability retirement benefit payable out of the Pension Trust Fund shall become payable to the Retired Employee, if he then shall be living, on the first day of the month after:

- i) he shall have filed an application for such benefit with the Board;
- ii) his disability retirement shall have commenced; and
- iii) at least 26 weeks shall have elapsed since the date upon which his disability commenced; and shall be payable on the first day of each month thereafter until, but not including, the month after:
  - i) his disability retirement shall end; or
  - ii) he shall reach his 65th birthday; or
  - iii) he shall die;

whichever first shall occur.

When a retired Employee receiving a Disability Retirement Benefit shall reach his 65th birthday, he thereafter shall receive a Normal Retirement Benefit determined in accordance with the applicable provisions of Section 5.01 and shall no longer be considered on a disability retirement.

### **Section 5.04 - Supplementary Retirement Benefit**



- a) A supplementary retirement benefit will be payable out of the Pension Trust Fund to an Employee who retires on Normal, Regular Early, Special Early, Disability or Automatic retirement, on or after July 1, 1968, in those months thereafter in which a benefit shall be payable to him pursuant to Section 5.01, 5.02 (a)(i) or (ii), 5.02 (b), 5.02 (c) or 5.03, in an amount equal :

for the period commencing **January 1, 2005** and ending **December 31, 2007**, an amount equal to \$18.00 per month multiplied by the number of his years of credited service at retirement up to a maximum of \$540.00, in months up to and including the month following the month in which he qualifies for Governmental Pension.

The Supplementary Retirement Benefit calculated under 5.04 (a)(i) will be reduced by any temporary total benefit or future economic loss award and supplement payable under any **Workplace Safety & Insurance Board** legislation.

In the case of an Employee retiring under Section 5.03, Disability Retirement, who is receiving a disability pension from the Canada Pension Plan, the amount of Supplementary Retirement Benefit calculated under this Section 5.04(a)(i) will be reduced by the amount of such Canada Pension Plan entitlement.

- b) In the case of a Retired Employee entitled to benefits pursuant to Section 5.02 (a)(i) or (ii), the supplementary retirement benefit shall be the amount calculated as set forth in Section 5.04 (a) above multiplied by the applicable factor determined for his attained age when benefits commence as set forth in Section 5.02 (a)(i) or (ii). Effective **January 1, 2005**, when an Employee, retired under the provisions of Section 4.02 of the Plan, reaches age 62, his supplementary retirement benefit will be recalculated and the applicable age factor in Section 5.02 (a) (i) or (ii) used in the original calculation will be disregarded. Such recalculated benefit will be paid commencing on the first of the month following his 62nd birthday and effective **January 1, 2005**, when an Employee, retires under the provisions of Section 4.02 (a) (iii) of the Plan, reaches age 60, his supplementary retirement benefit will be recalculated and the applicable age factor in Section 5.02 (a) (ii) used in the original calculation will be disregarded. Such recalculated benefit will be paid commencing on the first of the month following his sixtieth birthday.
- c) The supplementary retirement benefits hereinbefore described in this Section 5.04 shall be payable only for months commencing on or after January 1, 1985, and in any event only during the lifetime of the Retired Employee.

#### **Section 5.05 - Deferred Vested Pension Benefit**

Commencing with the monthly benefit payable January 1, 1985, the amount of the monthly retirement benefit payable out of the Pension Trust Fund for a former Employee who shall be eligible for a deferred vested pension benefit under the provisions of Section 4.04 of the Plan or under the provisions of the Prior Pension Plan shall be whichever of the following is applicable:

- a) For an Employee whose Employment shall have Terminated prior to July 1, 1968, an amount equal to the amount provided in accordance with Section 9 of the Plan in effect on the date of his Termination.
- b) For an Employee whose Employment shall have Terminated on or after July 1, 1968, an amount equal to the regular benefit in effect on the date of his Termination multiplied by the number of his years of creditable service.

The monthly retirement benefit shall become payable to such former Employee, if he shall then be living, on the first day of the month after his 65th birthday and shall be payable on the first day of each month thereafter during his lifetime; provided, however, that such former Employee whose benefits commence on or after July 1, 1968, may elect a monthly retirement benefit commencing on the first day of any month after he shall have reached his 55th birthday for terminations which occurred after December 31, 1986 or his 60th birthday for terminations which occurred before January 1, 1987, and before he shall have reached his 65th birthday, in which event his monthly Retirement Benefit shall be an amount equal to the benefit payable at age 65 reduced by a percentage equal to 6/10 of 1% multiplied by the number of months from the date his benefits are to commence to the first day of the month following his 65th birthday.

#### **Section 5.06 - Weekly Sickness and Accident Benefits**

Notwithstanding any other provision of the Plan, in determining any retirement benefits payable out of the Pension Trust Fund, to any Employee retired on or after July 1, 1968, no benefit shall be payable for any month for which the Retired Employee is receiving sickness and accident benefits under any plan to which the Company shall have contributed not including long term disability benefits payable under the Company's insurance plan; for any month for which the Retired Employee is receiving such sickness and accident benefits for part of the month, a proportionate amount of any monthly retirement benefits otherwise payable shall be paid for that part of the month for which the Retired Employee receives no such sickness and accident benefits.

Notwithstanding any other provision of the Plan, the amount of any monthly retirement benefit payable out of the Pension Trust Fund to any Employee retired on or after July 1, 1968, shall be reduced by the amount of any long term disability benefit payable to him for the same month under the Company's insurance plan.

### **Section 5.07 - Benefits Payable to Incompetents**

If the Board shall find that any person to whom a benefit is payable from the Pension Trust Fund is unable to care for his affairs because of illness or accident, any payment due (unless a prior claim therefore shall have been made by a duly appointed committee or other legal representative) may be paid to the Spouse, a child, a parent, or a brother or sister, or to any person deemed by the Board to have incurred expense for such person otherwise entitled to payment. Any such payment shall be a complete discharge of any liability under the Plan therefore.

### **Section 5.08 - Vesting**

No Employee or other person shall have any vested rights under the Plan except such rights, if any, as may accrue to him upon retirement or entitlement to deferred vested benefits or survivor's benefits in accordance with the provisions of the Plan.

### **Section 5.09 - Survivor's Benefits**

- a) The monthly survivor's benefit payable out of the Pension Trust Fund to a deceased Employee's Spouse who shall be eligible for such benefit under the provisions of Section 4.06 (a) of the Plan shall be the amount such survivor would have been entitled to receive under Section 5.09 (c) if the Employee had retired on Regular Early Retirement on the date of his death, with benefits commencing the first of the following month and had effectively made the survivorship election specified in Section 4.06 (b) of the Plan; provided, however, that no benefit shall be payable under this sub-section for any month prior to July 1, 1968 or prior to application to the Board therefore.
  
- b) The amount of the reduced monthly benefit payable out of the Pension Trust Fund to a Retired Employee with a Spouse (including for purposes of this sub-section a former employee entitled to a deferred vested pension benefit) under Sections 5.01, 5.02, 5.03 or 5.05 who has not filed a survivor waiver specified in Section 4.06 (b) of the Plan, shall be determined by reducing the amount of the applicable benefit under Section 5.01, 5.02, 5.03, or 5.05 by a percentage, determined as hereinafter provided, of the benefit that would have been payable to the Retired Employee if there were no survivor provisions. The percentage to be used shall be 5% if the Employee's age and the age of his Spouse do not differ by more than five (5) years (the age of each determined as being the age at his or her birthday nearest the date on which the first payment of such Employee's benefit shall be payable). Such percentage shall be decreased by 1/2 of 1% for each year in excess of five (5) years up to 15 years that the Spouse's age exceeds the Employee's age, and shall be increased

by 1/2 of 1% for each year in excess of five (5) years (ten (10) years if the employee retires on or after **January 1, 2005**) that the Spouse's age is less than the Employee's age. The reductions provided in this section shall be made in all applicable monthly benefits to the Retired Employee payable on or after the Retired Employee's election of a survivorship option becomes effective.

- c) The amount of the monthly survivor's benefit payable out of the Pension Trust Fund to the surviving Spouse of a Retired Employee who had not filed a survivor waiver specified in Section 4.06 (b) of the Plan effective on or after July 1, 1968 shall be 55% and on or after January 1, 1990 shall be 60% of the amount of the monthly benefit that was or would have been payable under Sections 5.01, 5.02, 5.03 or 5.05 to the Retired Employee after the reduction provided in (b) above.

#### **Section 5.10 - Re-employed Retired Employee**

A Retired Employee who is re-employed by the Company shall continue to receive during such re-employment all monthly benefits to which he otherwise is entitled. The Retired Employee shall not receive any additional creditable service as a result of such Employment and his monthly benefits shall not be adjusted in any way with regard to such Employment upon subsequent cessation of Employment. This Section 5.10 is not applicable to a Retired Employee on disability retirement who recovers and returns to work.

#### **Section 5.11 - Maximum Benefits**

Notwithstanding anything contained herein to the contrary, at retirement, termination of Employment prior to retirement, upon marriage breakdown, or on termination of the Plan, the total amount of annual annuity (payable at Normal Retirement Date) to which an Employee shall be entitled under the Plan and any other registered pension plan sponsored by the Company, shall not exceed the lesser of (a) and (b):

- (a) 2 percent of the Employee's highest average indexed Compensation, and
- (b) \$1,722.22

multiplied by the number of years, not exceeding thirty-five (35) years, of credited service up to December 31, 1990, plus the number of years of credited service after December 31, 1990.

For years of service prior to January 1, 1990 that are credited to the Employee after June 8, 1990, the maximum dollar limit in (b) above shall be \$1,150.

Such maximum benefits are inclusive of any amounts paid out to the Employee's Spouse as a result of marriage breakdown.

For the purpose of determining an Employee's maximum pension, highest average Indexed Compensation shall be the average of the Employee's total indexed Compensation for the three (not necessarily consecutive) non-overlapping 12-month periods of highest indexed Compensation. The indexed Compensation of an Employee means the Compensation received by the Employee in a year adjusted to reflect increases in the average wage to the year of pension commencement, as defined under the Income Tax Act.

In no event will the amount of temporary benefits payable prior to age 65 be greater the sum of the maximum Old Age Security and Canada Pension Plan benefits which would be payable if the Employee were age 65, reduced if a Employee is less than age 60 at pension commencement by 0.25% for each month between the commencement date and the Employee's attainment of age 60. The maximum supplemental retirement benefit is also reduced, on a prorated basis, if the Employee has less than ten years of Credited Service.

Notwithstanding the foregoing, in no event shall the annual amount of total retirement benefits payable to the Employee prior to the attainment of age 65 exceed:

- (a) \$1,722.22 or any defined benefit maximum permitted by the Income Tax Act, multiplied by years of Credited Service, plus
- (b) 1/35 of 25% of the average of the YMPE (or Earnings if less) for the 3 years immediately preceding retirement, multiplied by years of Credited Service, to a maximum of 35 years.

#### **Section 5.12 - Benefits Prior to January 1, 1988**

Anything to the contrary in the Plan notwithstanding, the amount of any benefit payable on and after January 1, 1985 and prior to December 31, 1987, shall be determined on the basis of the applicable provisions of the Plan in effect on January 1, 1985 subject to the provisions of the Act as applicable for the calendar year 1987.

### **ARTICLE VI - NON-ALIENATION OF BENEFITS**

#### **Section 6.01**

- a) No benefit payable at any time under the Plan shall be capable of being assigned, charged, anticipated, given as security or surrendered. Any attempt to assign, charge, anticipate, give as security or surrender, whether presently or thereafter payable, shall be void. No benefit nor the Pension Trust Fund shall in any manner be liable for or subject to the debts or liability of any person

entitled to any benefit. If such person shall attempt to, or shall assign, charge, anticipate, give as security or surrender his benefits under the Plan or any part thereof, or if by reason of his bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then the Board in its discretion may terminate his interest in any such benefit and hold or apply it to or for the benefit of such person, his Spouse, children or other dependents or any of them in such manner as the Board may deem proper.

- b) No benefit payable at any time under the Plan is capable of surrender or commutation except as expressly provided herein and does not confer upon any Employee, personal representative or dependent, or any other person, any right or interest in the benefit capable of being surrendered or commuted.

## **ARTICLE VII - BOARD OF ADMINISTRATION**

### **Section 7.01 - Establishment**

- a) There shall be established a Board of Administration to administer the benefit structure of the Plan. The Board shall consist of six members, three of whom shall be appointed by the Company (hereinafter referred to as the "Company members") and three of whom shall be appointed by the Union (hereinafter referred to as the "Union members"). Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. Both the Company and Union shall notify each other in writing of the member respectively appointed by them before any such appointment shall be effective.
- b) When the Company and Union members of the Board are deadlocked on an issue concerning the administration of the benefit structure of the Plan, then the Board shall appoint an impartial chairman who shall serve until such time as he may be requested to resign by three members of the Board. The impartial chairman shall be considered a member of the Board with power to cast the deciding vote.

### **Section 7.02 - Function**

The function of the Board shall be to administer the benefit structure of the Plan, but the Board shall have no function with respect to Article VIII (Pension Trust Fund) and Section 9.01 (Modification or Discontinuance) nor shall the Board have any function with respect to any of the provisions of the Agreement.

### **Section 7.03 - Jurisdiction of Board of Administration**

The Board shall have jurisdiction to pass upon all questions concerning the application or interpretation of the provisions of the Plan which it is empowered to administer. The Board shall decide all such questions in accordance with the terms of the Plan and all such decisions of the Board shall be final and binding upon the Company, the Union, the employees and the beneficiaries or claimants under the Plan; provided, however, that the Board shall accept as final:

- i) the definition of Bargaining Unit as referred to in Article I above;
- ii) determinations made under the provisions of the Collective Agreement with respect to the seniority of Employees, and with respect to any other matter arising under the Collective Agreement which may become material in the administration of the Plan, and
- iii) any determinations made by the appropriate government agency as to the amount of any government administered benefit which shall be material in the administration of the Plan.

The Board shall have no power to add to or subtract from, or to modify, any of the terms of the Plan, nor to change or add to any benefit provided by the Plan.

### **Section 7.04 - Powers**

- a) The Board shall have such powers as are necessary for proper administration of the Plan, including the following:
  - i) To adopt and prescribe regulations and procedures to be followed by Employees in filing applications for benefits, and for the furnishing and verification of evidence and proofs necessary to establish Employees' rights to benefits under the Plan.
  - ii) To make findings of fact and determinations as to the rights of any Employee applying for retirement benefits and to afford any such individual dissatisfied with any such findings or determination the right to a hearing thereon.
  - iii) To develop procedures for the establishment and verification of creditable service of Employees and, after affording Employees an opportunity to make objection with respect thereto, to establish such facts conclusively in advance of retirement.
  - iv) To obtain from the Company, from the Union and from Employees such information as shall be necessary for proper administration of the Plan.
  - v) To establish appropriate procedures for authorizing the Trustee to make benefit payments from the Pension Trust Fund to persons entitled to benefits under the Plan, and to obtain from the Trustee such information concerning such payments and persons as shall be necessary for the proper administration of the Plan.
  - vi) To furnish to the Company and to the Union, upon request, such reports with respect to its administration of the Plan as are reasonable and appropriate.

- vii) To provide in writing to each Employee in accordance with the Act:
    - a) an explanation of the provisions of the Plan applicable to the Employee;
    - b) an explanation of the Employee's rights and obligations; and
    - c) any other information prescribed by the Act.
  - viii) To transmit notice and written explanation in accordance with the Act, of an amendment to the Plan to each Employee or other person entitled to payment from the Fund who is affected by the amendment.
  - ix) To transmit annually to each Employee a written statement containing such information as is prescribed by the Act.
  - x) To give to a Terminated Employee or to any other person who as a result becomes entitled to a payment under the Plan, a written statement in respect of the benefits, rights and obligations of such Employee or person as is prescribed by the Act.
  - xi) To make available on written request of any person authorized under the Act such documents and information in respect of the Plan in such manner and at such place as is prescribed by the Act.
- b) Nothing in this Article shall be deemed to give the Board power to prescribe in any manner internal procedures or operations of either the Union or the Company.

#### **Section 7.05 - Quorum; Voting**

To constitute a quorum for the transaction of business, there shall be required to be present at any meeting of the Board at least two Union members and two Company members. In all meetings of the Board the Company members shall have a total of three votes and the Union members shall have a total of three votes, the vote of any absent member being divided equally between the members present appointed by the same party. Except on matters with respect to which the Plan itself specified otherwise, decisions of the Board shall be by a majority of the votes cast.

#### **Section 7.06 - Compensation and Expenses**

The Company and Union members shall serve without compensation from the Pension Trust Fund. The Company shall be responsible for the compensation of the Company members; the Union members of the Board who are Employees having regular Company duties to perform shall be permitted such absence from their regular Company duties as may be necessary for the performance of their duties as members of the Board and shall be compensated by the Company for time so lost from their regular Company duties. The Company and the Union each shall be responsible for the expenses of any expert or advisor selected by its members but not by the Board as such. The expense, if any, of the impartial chairman shall be borne in equal shares by the Company and the Union and the shares shall be paid



direct to the impartial chairman by each. Except as provided above, expenses of the Board as such will be borne by the Company.

#### **Section 7.07 - Liability of Members**

The Board and any member thereof shall be entitled to rely on the correctness of any information furnished by the Trustee, the Union or the Company. Neither the Board nor any of its members, nor the Union, nor any officer or any other representative of the Union, nor the Company nor any officer or other representative of the Company, shall be liable because of any act or failure to act on the part of the Board, or any of its members to any person whatsoever, except that nothing herein shall be deemed to relieve any individual from liability for his own fraud or bad faith.

#### **Section 7.08 - Actuarial & Pension Trust Fund Information**

- a) The Company shall cause to be furnished to the Board of Administration annually as of June 30 (commencing with June 30, 1969):
  - i) a statement reflecting the value (as determined by the Trustee) of the Pension Fund as then comprised of any contracts and total other assets, invested and uninvested, such total assets being valued on a basis at least equal to the total cost thereof; and
  - ii) a statement showing in summary form the value of such assets by general categories of investment, such value being determined on a basis at least equal to the total cost thereof for each such category.
  
- b) Commencing as of July 1, 1968, the Company shall cause to be furnished to the Board of Administration a cost certificate, prepared by the actuary, in respect of the actuarial valuation of the Plan including the following:
  - i) The estimated future service cost of benefits for current year.
  - ii) The estimated annual future service cost to the Company for subsequent years, up to the date of the next cost certificate.
  - iii) The amount, as of the date of the actuarial valuation, of the unfunded past service costs.
  - iv) The amount of assets used in the actuarial valuation.

Such cost certificate shall be furnished as of the date of each subsequent benefit change, but in any event not less frequently than every three years.
  
- c) Commencing with the year ending June 30, 1969, the Company shall cause to be furnished to the Board of Administration annually a statement setting forth:
  - i) The value of the Pension Fund computed in accordance with Section 7.08 (a) (i) as of the beginning of the year for which the statement is being submitted.

- ii) Additions during the year:
  - 1) payments by the Company into the Pension Fund;
  - 2) interest and dividends received by the Pension Fund;
  - 3) net profits realized on sales of securities by the Pension Fund; and
  - 4) total additions.
- iii) Total amount of retirement benefits paid during the year.
- iv) Fees and expenses of the Plan.
- v) The value of the Pension Fund computed in accordance with Section 7.08 (a) (i) as of the end of the year for which the statement is being submitted.

## **ARTICLE VIII - PENSION TRUST FUND**

### **Section 8.01**

- a) The Company shall establish a trust fund, herein referred to as the "Pension Trust Fund" to be held and invested, in accordance with the provisions of the Act, by a trust company or trust companies as Trustees. The Company shall contribute from time to time, but not less frequently than monthly, such amounts as are not less than those certified by the Actuary as required to provide the pension benefits accruing to Employees during the current year pursuant to the Plan and to make provisions for the proper amortization of any initial unfunded liability or experience deficiency in accordance with the requirements of the Act. No Employee shall make or be required to make any contribution to the Pension Trust Fund. The Pension Trust Fund shall be used to pay benefits as provided in the Plan as specifically authorized from time to time by the Board by procedures established pursuant to Article VII of the Plan and communicated to the Company; such benefits shall be payable only from the Pension Trust Fund. The fees and expenses of the Trustees shall be payable from the Pension Trust Fund.  
All costs, charges and expenses incurred in establishing and administering the Plan shall be paid from the Fund unless first paid by the Company.  
Any overpayment of a contribution by the Company shall, at the request of the Company, and with the consent of the Pension Commission of Ontario and any other appropriate regulatory authority, be refunded or paid to the Company, provided that the request is made in accordance with the Act and the Income Tax Act.
- b) The Company shall have the sole right to select and contract with a trust company or trust companies to act as Trustees and be responsible for the investment of the Pension Trust Fund, to remove such Trustee, to select its successor, and to determine the form and terms of the Trust Agreement to be entered into with the Trustee.
- c) The Pension Trust Fund shall at no time include any property that is a prohibited investment under the Income Tax Act or the Act.
- d) The funding arrangement under which the Pension Trust Fund assets are held in connection with

the Plan, shall at all times be maintained or amended so as to be acceptable to the Minister.

## **ARTICLE IX - MODIFICATION OR DISCONTINUANCE**

### **Section 9.01 - Amendment or Termination of Plan**

So long as the Agreement shall remain in effect, the Plan shall not be amended, modified, suspended or discontinued except as to such extent as may be proper or permissible under the Agreement.

Upon the termination of the Agreement, the Company shall have the right to continue the Plan in effect and to amend, modify, suspend or discontinue the Plan, except as may be otherwise provided by any subsequent agreement between the Company and the Union.

Notwithstanding the foregoing, it is hereby stipulated that (a) the Plan may be amended at any time to reduce the benefits provided in respect of an Employee; and (b) a contribution made under the Plan by the Company may be returned to the Company; to whatever extent necessary to avoid the revocation of the registration of the Plan. Any such amendments will require the consent of both the Company and the Union.

### **Section 9.02 - Disposition of the Pension Trust Fund**

- a) In the event of discontinuance of the Plan, the assets then remaining in the Pension Trust Fund, after providing for the fees and expenses of the Trustee, shall be allocated subject to the provisions of any applicable legislation, to the extent that they shall be sufficient, for the purpose of paying benefits (based on creditable service to the date of discontinuance of the Plan) in the following order of precedence:
- i) To provide their retirement benefits to Employees who shall have retired under the Plan, former Employees who shall be receiving deferred vested pension benefits and Employees who have made an application, which is subsequently approved for a disability retirement benefit under the Plan prior to its discontinuance, to retired or former Employees or surviving Spouses with respect to such Employees who shall have elected a survivorship option under Section 4.06 (b) of the Plan, or to surviving Spouses eligible to receive benefits under Section 4.06 (a) of the Plan, without reference to the order of retirement.
  - ii) To provide normal retirement benefits upon Normal Retirement to Employees aged 65 or over on the date of discontinuance, without reference to the order in which they shall have reached normal retirement age.
  - iii) To provide deferred vested pension benefits to those former Employees eligible therefore who are 65 or over on the date of discontinuance of the Plan but who have not made application for the same, provided they make written inquiry to the Board regarding their

interests within one year after the date of discontinuance of the Plan, without reference to the order in which they shall have reached the age of 65.

- iv) To provide normal retirement benefits upon Normal Retirement to Employees who have met the eligibility requirements for Regular Early Retirement under Section 4.02 (a) of the Plan, on the date of discontinuance without reference to the order in which they shall have reached the age of 65.
  - v) To provide deferred vested pension benefits to those former Employees who would be eligible therefore upon timely application and who have attained age 60 or over but less than 65 on the date of discontinuance, provided they make written inquiry to the Board regarding their interest within one year after the date of discontinuance of the Plan, without reference to the order in which they shall reach the age of 65.
  - vi) To provide normal retirement benefits upon Normal Retirement to Employees less than age 60 and whose combined years of age (to the nearest 1/12) and creditable service shall total at least 60 on the date of discontinuance, without reference to the order in which they shall reach Normal Retirement age.
  - vii) To provide deferred vested pension benefits to those former Employees who would be eligible therefore upon timely application and who on date of discontinuance of the Plan are age 50 or over but less than 60, provided they make written inquiry to the Board regarding their interests within one year after the date of discontinuance of the Plan, without reference to the order in which they shall reach the age of 65.
  - viii) To provide normal retirement benefits upon Normal Retirement to Employees below the age of 50 not provided for in (vi) on the date of discontinuance, without reference to the order in which they shall reach normal retirement age.
  - ix) To provide deferred vested pension benefits to those former Employees who would be eligible therefore upon timely application and who on date of discontinuance of the Plan are below the age of 50, provided they make written inquiry to the Board regarding their interests within one year after the date of discontinuance of the Plan, without reference to the order in which they shall reach the age of 65.
- b) Deferred vested pension benefits shall be provided to a former Employee as set out in Clauses (iii), (v), and (vii) of Section 9.02 (a) only if such former Employee makes written inquiry regarding his interest within one year after the date of discontinuance of the Plan except, however, that such benefits shall be provided to the extent required by any applicable legislation to such former Employee who Terminated his Employment after December 31, 1964 and after he had attained age 45.
- c) If, after having made provision in the above order of precedence for some but not all of the groups listed above, the assets then remaining in the Pension Fund are not sufficient to provide completely for the benefits for persons in the next group, such benefits shall be provided for each person in such group on a pro-rata basis.
- d) Such allocation shall be accomplished through either;

- i) continuance of the Pension Trust Fund or a new trust fund, or
  - ii) purchase of insurance annuity contracts; provided, however, that the Board upon finding that it is not practicable or desirable under the circumstances to do either of the foregoing with respect to some or all of the groups listed above, may, with the unanimous consent of all of its members, provide for some allocation of a part or all of the assets of the Pension Trust Fund other than the continuance of a trust fund or the purchase of insurance annuity contracts with respect to any or all of such groups; provided, however that no change shall be effected in the order of precedence and basis for allocation above established.
- e) Anything in the Plan which might be construed to the contrary notwithstanding, however it shall be impossible at any time prior to the satisfaction of all liabilities with respect to Employees under the Plan for any part of the corpus or income of the Pension Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of the Employees.

## **ARTICLE X - APPLICABLE LAW AND GENERAL PROVISIONS**

### **Section 10.01**

- a) The Plan, and all rights thereunder, shall be governed, construed and administered in accordance with the laws of the Province of Ontario, and the laws of Canada applicable therein.
- b) For each calendar year from 1990 onwards, no Pension Adjustment may exceed the lesser of:
  - (a) 18% of the Employee's Compensation, or
  - (b) the maximum dollar limit defined in the Income Tax Act.
- c) No further credited service shall accrue to an Employee in respect of a period that is after the day on which defined-benefit retirement benefits commence to be paid to the Employee under either (a) this Plan or (b) any other registered pension plan in which (i) the Company participates or (ii) another employer who does not deal at arm's length with the Company participates.
- d) Except as otherwise expressly provided in the Income Tax Act, each amount determined in connection with the Plan shall be determined, where the amount is based on assumptions, using such reasonable assumptions as are acceptable to the Minister, and where actuarial principles are applicable to the determination, in accordance with generally accepted actuarial principles.
- e) All contributions to and payments from the Plan shall be in Canadian dollars.
- f) The employees of the Company responsible for the day-to-day administration of the Plan shall

use ordinary care and diligence in the performance of their duties, but no such employee shall be personally liable by virtue of contract, agreement, bond or other instrument made or executed by him or on his behalf as an employee of the Company nor for any loss unless resulting from his own gross negligence or wilful misconduct.

In administering the Plan, neither the Company, nor any officer or employee of the Company shall be liable for any acts of commission or omission, unless there shall be gross negligence or wilful misconduct.

- g) The Company may appoint a third party administrator to be responsible for the daily administration of the plan.

## **LETTER OF AGREEMENT: REDUCTION OF MONTHLY SUPPLEMENTARY PENSION**

It is understood that there will be no reduction in any monthly supplementary pension due to the receipt or eligibility for an early retirement pension under the Canada Pension Plan and/or the Quebec Pension Plan, to age 65.

## **LETTER OF AGREEMENT: STANDARDS FOR APPLICATION OF PROVISIONS REGARDING RETIREMENT AT THE OPTION OF THE COMPANY OR UNDER MUTUALLY SATISFACTORY CONDITIONS.**

Section 4.02 (b) of the Pension Plan provides that an Employee may be retired early at the option of the Company or under mutually satisfactory conditions providing he is eligible. In either case, the following standards have been adopted by the Company as a guide in the application of these provisions.

Standards:

- a) An Employee who is unable to work efficiently by reason of permanent disability:

The retirement must be in the best interest of the Company. It is also intended to benefit Employees who are unable to work efficiently by reason of permanent disability. It contemplates that the efficiency of operation will be improved by reason of the retirement which may be the case in any of the following situations:

- 1)The Employee is no longer physically or mentally capable of performing his work in an efficient and satisfactory manner.
- 2)The Employee, though still capable of performing his work satisfactorily, is prevented by chronic physical illness or physical disability (less than total) from working regularly to the extent that efficiency of operation is interfered with.
- 3)The Employee's condition, based on medical evidence satisfactory to the Company, is such that, although able to perform the duties of his job efficiently and satisfactorily, he would thereby be jeopardizing his health or that of fellow Employees.
- 4)The Employee is on disability leave or is laid off because he is unable to do the work offered by the Company efficiently and satisfactorily although able to perform efficiently and satisfactorily other work in the plant to which he would have been entitled if he had had sufficient seniority, and his condition, based on medical evidence satisfactory to the Company, is expected to be continuous until his normal retirement age.

- b) An Employee who is laid off:

Retirement at the option of the Company or under mutually satisfactory conditions will be

available to an Employee who is laid off.

- i) as a result of a plant closing or discontinuance of operations; or
- ii) whose layoff appears to be permanent, and in either case has not been offered suitable work by the Company in the same labour market area.

#### **LETTER OF AGREEMENT: REDUCTIONS IN PENSIONS DUE TO REVENUE CANADA RULES**

The parties agree that if an Employee's or surviving Spouse's total pension benefit is reduced because of the application of Revenue Canada Rules then the Company agrees to pay such Employee or surviving Spouse a monthly payment equal to the amount of such reduction. By mutual agreement of the Company and the Employee, the monthly payment may be paid annually in advance or converted to an Actuarial Equivalent lump sum.

The determination of the Actuarial Equivalent of the reduction shall be made using the calculation basis similar to those specified in the Canadian Institute of Actuaries Recommendations for the Computation of Transfer Values from Registered Pension Plans (effective September 1, 1993).

The parties also agree to pay to an Employee a supplemental retirement benefit at age 65 equal to \$10.35 per month multiplied by the number of his years of Credited Service at retirement up to a maximum of \$310.50; reduced by the amount of any Canada Pension Plan entitlement. The maximum years of credited service shall be 30 and if the Employee was a member of another pension plan of the Company, the maximum benefit from all plans shall not exceed the maximums herein and the benefit shall be pro-rated over all plans.

#### **LETTER OF AGREEMENT: Early Retirement Window**

The Company agrees that the pension plan will be amended effective **January 1, 2005** and each subsequent January 1 up to and including **January 1, 2007** in order to provide an early retirement window to members with or who will attain thirty (30) or more years of credited service during the calendar year. Such early retirement window will allow members with thirty (30) or more years of credited service to retire with the Temporary Special Allowance regardless of age.

Members will have 60 days beginning January 1 of each year to choose whether or not to retire during that year. Members may elect to retire at the end of any month up to and including December 31 of the applicable year.

#### **LETTER OF AGREEMENT: Lump Sum Retirement Allowance**

The Company agrees to provide each member who retires between **January 1, 2005 and December 31, 2007**, a one time lump sum payment calculated at **\$766.67** per year of service to a maximum of 30 years.



This lump sum payment will not exceed \$23,000 and will be payable on his/her retirement date.

## 2005 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28						27	28	29	30	31		
30	31																			
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30		
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6					1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	
31																				
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5					1	2	3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31
30	31																			

## 2006 Calendar

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6					1	2	3
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
30	31																			
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						

## 2007 Calendar

JANUARY							FEBRUARY							MARCH							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6					1	2	3					1	2	3	
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24	
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31	
APRIL							MAY							JUNE							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
29	30						27	28	29	30	31			24	25	26	27	28	29	30	
JULY							AUGUST							SEPTEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15	
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22	
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29	
OCTOBER							NOVEMBER							DECEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6					1	2	3							1	
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22	
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29	
														30	31						