

BASIC AGREEMENT

THIS AGREEMENT, made this 1st day of August, 2012

- Between -

**ARCELORMITTAL MONTREAL INC.
HAMILTON EAST
(Hereinafter called "the Company")**

- And -

**LOCAL UNION NO. 5328
UNITED STEELWORKERS
(Hereinafter called "the Union")**

August 1st, 2012 – July 31st, 2016

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**LETTER OF UNDERSTANDING
MAXIMIZATION OF FLEXIBILITY OF OPERATIONS**

The Company and the Union recognize and are committed to the overriding necessity to reach, maintain and ultimately set world-class standards in efficiency and productivity at the Parkdale facility.

To that end, the parties have agreed to:

- Reduce the Number of Job Descriptions to 14 as laid out in Appendix G.
- Reduce the number of Job Classes to 7 as laid out in Appendix G.
- Eliminate the concept of Departments within Parkdale Works.
- Maintain the Operating and Service Divisions within Parkdale Works.
- Upon Mutual Agreement:
 - The parties will implement alternative hours of work (schedules). This includes the implementation date, the schedule(s) contemplated and the area(s) of implementation.
 - The parties may implement schedules, which are reflected in Appendix “C”, “D” and “E” for operations and services on continuous and non-continuous equipment.
- Be flexible in the scheduling of all equipment and services in order to maximize the use of the most productive equipment, balance demands from and supply to adjacent operations and minimize costs.
- Amend Item 32 – Letter of Agreement Re: Flexibility and Maximization of Operations

Dated at Toronto this 1st day of December, 2005

For the Company:

D. Robert
M. A. McQuade

For the Union:

S. Duvall
D. Green
T. Ciaramella
A. DePaulo

SECTION 1

INTENT AND PURPOSE

- 1.01 It is the intent and purpose of the Parties hereto to set forth herein the Basic Agreement covering wages, hours of work, and conditions of employment to be observed and to provide a procedure for the prompt and equitable adjustment of alleged grievances, to the end that there shall be no interruption or impeding of work, work stoppages, strikes or other interference with production during the life of this Agreement.

This collective agreement is also intended to promote harmonious and orderly relations between the Company, the Union and employees.

- 1.02 The Agreement for an Insurance Program, the Agreement for a Pension Plan, and the Supplementary Unemployment Benefit Plan have been executed as separate agreements which shall continue in effect during the term of the Basic Agreement subject to their specific terms and conditions.

- 1.03 The Company and the Union recognize the necessity of improving efficiency and productivity to enhance the competitive status of the facilities.

The Company agrees to make the reasonable and necessary capital expenditure. The Union agrees to contribute to the competitiveness of the facilities and work with the Company to enhance the competitive status of the facilities.

- 1.04 The Company and the Union have agreed to review and implement changes in work organization that will enhance the efficiency and the productivity of the existing workforce.

The Company and the Union will work together to limit and possibly avoid the number of employees laid off.

SECTION 2

RECOGNITION OF UNION

- 2.01 The Company recognizes the Union as the exclusive collective bargaining agent for all the hourly-rated employees of the Company at its Hamilton East facility, but excepting:

- (a) Officials and other persons acting in a supervisory or confidential capacity or having authority to employ, discharge or discipline employees.
- (b) Policemen and watchmen.

- 2.02 The term "employee" or "employees" as used in this Agreement shall mean only such persons as are included in the above defined bargaining unit. Wherever the words referring to

masculine gender are used herein, such as "he", "his", or "him", the same shall include and cover females and males.

2.03 The Parties agree that:

- (a) There shall be no intimidation of, and there shall be no discrimination against any employee either by the Company or the Union by reason of any activity or lack of activity, past, present, or future, with respect to Union affairs or membership.
- (b) No meeting for any purpose of the Union shall be held on the Company's premises except as permitted by the Company.
- (c) No Union activity shall take place or be permitted on the Company's premises on the part of any employee during his working hours or on Company time (save as expressly authorized by this Agreement) or in such manner or place or at such time as may interfere with or distract or divert any other employee or employees during their working hours or on Company time.
- (d) The Union shall not distribute or cause to be distributed any handbills, pamphlets, dodgers, Union publications or the like, on Company premises except as permitted by the Company.

2.04 Supervisors will not do work ordinarily performed by employees except for:

- (a) Instruction and training of employees, and
- (b) Emergency work when employees are absent or not available when required.

For the purposes of this clause, "emergency work" will mean a situation that requires immediate action to be taken to correct a health and safety situation, correct an environmental situation, or prevent a shut-down, when qualified members of the workforce are not available to provide the required skills/service within the necessary time frame.

2.05 It is recognized that the Company may place non-bargaining unit personnel on bargaining unit jobs for the purpose of providing training for non-bargaining unit positions. It is understood that employees will not be displaced thereby and nothing herein shall be deemed to waive the provisions of Section 7. The Company will notify the Union in writing of any personnel hired or selected for such training.

2.06 In recognition of the desirability of improving communications between the Union and the Company to facilitate solutions of mutual problems which may arise during the term of the Agreement, the parties agree as follows:

- (a) The Union President/Unit Chair of Hamilton East facility will perform Union-related activities for five (5) days of every ten (10) day period based on a Monday to Friday single turn operation. Any changes to the standard workday or workweek will be discussed with the Union President/Unit Chair prior to implementation. The job rate of the Union President/Unit Chair is two job classes higher than the highest

bargaining unit job class in effect at Hamilton East.

The Union President/Unit Chair shall form part of the weekly schedule designated as Union President and will be assigned on a daily basis in accordance with the needs of the operation. The incumbent shall not displace or be displaced by another employee in accordance with the seniority provisions of the Basic Agreement.

- (b) It is agreed that such paid hours are not limited to but shall include attendance at:
- Senior Committee
 - Grievance Committee
 - Item 3 Committee
 - CWS Committee
 - Job Combination
 - Contracting Out Committee
 - Other meetings agreed to by the parties
- (c) Continuation of (a) above is subject to quarterly review and may be revoked by the Company at any time following discussion with the International Representative, U.S.W.

SECTION 3

COLLECTION OF UNION DUES

- 3.01 During the term of this Agreement, the Company agrees to deduct union dues from the wages of each employee who has authorized such deduction and shall forthwith remit the amounts so deducted to the International Treasurer of the Union, notwithstanding any changes in legislation that may release the Company from its obligation to do so.
- 3.02 Such deduction shall be made from the wages payable to each employee. In the event that such wages are insufficient to pay Union dues, the Company shall notify the Financial Secretary of the Union of the name of any employee whose wages were insufficient to permit such deduction, and shall not be obligated to make such deduction from subsequent wages.
- 3.03 The amount of Union dues to be deducted shall be the regular membership dues duly authorized by the constitution of the Union. The Financial Secretary of the Union shall notify the Company by letter of the amount of such dues and any changes therein, and such notification shall be the Company's conclusive authority to make the deduction specified.
- 3.04 The Company shall provide a list to the Financial Secretary of the Union on a bi-weekly basis. The list shall contain:
- (a) The name of each individual in the bargaining unit from whom dues were deducted and the amount of dues deducted from each and the totals of such amounts.

- (b) The amount by which any individuals are in arrears with their dues payment and the apparent reason for such arrears.
 - (c) The gross bi-weekly earnings of each employee and the total of such amounts, and the average hourly earnings of each employee from whom dues were deducted.
 - (d) The number of straight time hours, overtime hours, vacation hours and all other allowances the employee has earned in the pay period and year to date totals.
- 3.05 All employees hired during the term of this Agreement, shall, as a condition of employment, be required to execute an authorization for deduction of their Union dues, in the form hereinafter provided. Such authorization, and all authorizations in effect on or after the signing date of this Agreement, shall not be revocable subject to the provisions of this Agreement.
- 3.06 An authorization by an employee shall be deemed to be revoked:
- (a) Upon termination of employment, or
 - (b) Upon permanent/temporary transfer out of the bargaining unit.
- The authorization shall automatically be reinstated if, in the former case, the former employee is recalled in accordance with Clause 7.11 hereof, or, in the latter case, he is transferred back into the bargaining unit.
- 3.07 Authorization for deduction of Union dues shall be in the following form.
- 3.08 Authorization shall be witnessed by an officer, chief steward, or steward of the Union or by a representative of the Company, and shall be signed in duplicate, one (1) copy being held by the Company and the other by the Union.
- 3.09 The Company shall deduct and remit Union dues as aforesaid but shall not be under any obligation to do so unless there is a Collective Agreement in full force and effect between the Company and the Union.
- 3.10 In consideration of the deducting and forwarding of Union Dues by the Company, the Union agrees to indemnify and save the Company harmless against any claim or liability arising out of or resulting from the operation of this section.

AUTHORIZATION TO DEDUCT UNION DUES

Hamilton East AUTHORIZATION TO DEDUCT UNION DUES	Clock No.	Name
	Address	
	City or P.O.	
<p>I hereby authorize Hamilton East to deduct my Union dues from my wages payable and to remit such amount to the International Treasurer of the United Steelworkers.</p> <p>This authorization shall not be revocable, and subject to the provisions of the Basic Agreement between the Union and the Company, shall remain in effect so long as the Union is the bargaining agent of a unit of employees to which I belong.</p>		
Date of Authorization Effective	Department	Clock No.
Signature of Witness	Signature of Employee	

ORIGINAL TO PAYROLL DEPT. – DUPLICATE TO LOCAL UNION

SECTION 4

MANAGEMENT FUNCTIONS

- 4.01 The Management of the plant and the direction of the working forces, the maintenance of order, discipline and efficiency including the right to direct, plan and control plant operations, to schedule working hours, and the right to hire, promote, demote, transfer, suspend or discharge employees for just cause or to release employees because of lack of work or for other legitimate reasons, or the right to introduce new and improved methods or facilities or to change existing production methods and facilities, to determine the products to be manufactured is vested exclusively in the Company subject to the express provisions of this Agreement.

SECTION 5

HOURS OF WORK AND OVERTIME

- 5.01 This Section sets out the scheduled working hours and provides the basis for the calculation of overtime payments, and shall not be read or construed as guarantee of hours of work per day or week, or a guarantee of days of work per week. There will be a five (5) minute deduction from pay for failing to punch "in" or "out". Employees will be booked in five (5) minute increments.

- 5.02 The scheduled working hours will be:

(a) Single Turn Operations

The standard working day will be eight (8) hours. The standard working week will be five (5) standard working days Monday through Friday.

(b) Double and Triple Turn Operations

The standard working day will be eight (8) hours; 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m., 11:00 p.m. to 7:00 a.m., for the respective turns. The standard working week will be five (5) standard working days Monday through Friday.

(c) Continuous Operations

The standard working day for continuous operations will be eight (8) hours; 8:00 a.m. to 4:00 p.m., 4:00 p.m. to 12:00 midnight, 12:00 midnight to 8:00 a.m. for the respective turns. The standard working week will be five (5) standard working days between 8:00 a.m. on one Sunday and 8:00 a.m. of the next Sunday.

- 5.03 On each turn of double and triple turn operations and on continuous operations, there will be one (1) thirty (30) minute break period when employees may, subject to established practices, leave their place of work for rest or the eating of lunch. No other periods will be provided and no time will be allowed for washing up.

It is agreed that for the purposes of Clause 5.03 an employee, who requests permission to leave the plant premises during his break period, will not be paid for such break period. Such permission shall not be unreasonably withheld.

- 5.04 An employee on continuous, triple turn or the first turn of double turn operations shall not cease work until relieved on his job, or otherwise instructed by his supervisor. Employees may be relieved early up to a limit of ten (10) minutes.

Overtime

- 5.05 Overtime is defined as hours worked in excess of a standard working day or a standard working week, and shall be paid for periods of five (5) minutes or multiples thereof.
- 5.06 Except as provided in 11.05, overtime shall be paid at one and one-half (1-1/2) times the employee's standard hourly rate.
- 5.07 Overtime will be calculated under one (1) provision of this Agreement only, even though the hours worked may be overtime under more than one (1) provision of this Agreement.
- 5.08 The Company may schedule overtime up to eight (8) hours per week. All employees shall work overtime during these hours if required to do so by the Company. Additional overtime (over the forty-eight (48) hours per week) may be worked by mutual agreement between the Parties.
- (a) Absence on a scheduled overtime day will not in itself affect Statutory Holiday or Vacation payments.
 - (b) Employees will receive at least forty-eight (48) hours notice of this scheduled overtime. Such notice does not apply to emergency overtime which may be necessary.
 - (c) Should an employee wish to be absent on a scheduled overtime day, every effort will be made by the Company to arrange this. Such cases may be discussed with the Division Head.
 - (d) Where a statutory holiday falls outside of the standard working week and an employee is required to work overtime on such a day, the Company will pay the special allowance provided for the statutory holiday, plus time and one-half (1-1/2).
 - (e) The Company agrees not to schedule production workers between 3:00 p.m. Saturday, and 3:00 p.m. Sunday.
- 5.09 Effective on the signing date of this agreement, the whole of Clause 5.08 above shall not apply, subject to the following conditions:
- (a) Overtime, in excess of forty (40) hours per week, shall be on a voluntary basis.
 - (b) This Clause 5.09 may be terminated by either party at any time upon thirty (30) days written notice. Such written notice shall be signed by the representative of the

International Union or the Manager as the case may be. In the event that this Clause 5.09 is terminated, then Clause 5.08 shall be reinstated at the end of the thirty (30) day period referred to above.

- (c) It is understood that before either party implements the cancellation provisions of Clause 5.09, the Company shall meet with the Grievance Committee of the Local Union and a representative of the International Union to discuss the reasons for such cancellation.

5.10 Employees working on continuous operations will not be paid overtime for the standard working days of Saturday and Sunday.

Other Allowances

5.11 (a) When an employee reports for work after having been scheduled or notified to report and work within his job description is not available for at least four (4) hours, he shall receive four (4) hours pay, at the standard hourly rate of the job for which he was scheduled or notified to report, plus any out-of-line differential that may apply, subject, however, to the provisions of Paragraph (b) and 5.12 below.

- (b) If such employee is offered other work he shall perform such other work for a period of four (4) hours at the standard hourly rate of the job for which he was scheduled to report, plus any out-of-line differential that may apply or the rate of pay for such other work, whichever is higher. Such employee will perform such other work for such further period of time as may be required by the Company and will be paid for such further work in accordance with the provisions of Clause 6.45.

- (c) Union officials called in to work from home for meetings and/or investigations shall be paid for the time spent at any such meeting or investigation or for four (4) hours whichever is greater at the straight time rate of his incumbent occupation.

5.12 An employee shall not be entitled to receive the four (4) hours pay as provided in 5.11 if:

- (a) He has been notified by the Company not to report for work at least two (2) hours before his regular starting time. An employee shall be deemed to have been so notified if the Company has given a message at the telephone number recorded by him in the Human Resources Department, or
- (b) He has not so recorded any telephone number, or
- (c) He refuses to perform other assigned work outside of his job description, or
- (d) Work is not available because of conditions beyond the control of the Company.

5.13 When, because of a breakdown or other emergency, an employee is called into work at times other than his regular turn, a minimum of four (4) hours pay at his standard hourly rate plus any out-of-line differential shall be paid.

Turn Premium

- 5.14 Turn premiums will be paid as follows:
- (a) (1) For hours worked by an employee on his regularly scheduled second turn (3:00 p.m. to 11:00 p.m.) - effective August 1, 2008, fifty-five (55) cents per hour.
 - (2) For hours worked by an employee on his regularly scheduled third turn (11:00 p.m. to 7:00 a.m.) - effective August 1, 2008, sixty-five (65) cents per hour.
 - (b) The appropriate turn premium under (a) above shall be paid to an employee who works overtime on afternoon or night turn as defined therein.
- 5.15 A premium of seventy-five (75) cents per hour shall be paid to each employee for all hours worked over an interval of twenty-four (24) hours between 7:00 a.m. Sunday and 7:00 a.m. Monday. This premium is in addition to any other payments for such hours.
- 5.16 In no case will a premium paid pursuant to 5.14 or 5.15 be at an overtime rate.

SECTION 6

WAGES

- 6.01 The Co-operative Wage Study (C.W.S.) Manual for Job Description Classification and Wage Administration, dated October 1, 1956 as amended September 7, 1966, (hereinafter referred to as "The Manual") is incorporated in this agreement as Appendix "A".
- 6.02 Each job shall be described and classified and a rate of pay applied to each employee on such job in accordance with the provisions of this agreement.

Standard Hourly Wage Scale

- 6.03 Effective on August 1, 2012, the Standard Hourly Rate for Job Class One (1) shall be \$22.592 and the increment between job classes shall be twenty-eight point five, (28.5) cents.

Effective on August 1, 2015, the Standard Hourly Rate for Job Class One (1) shall be \$22.942 for production job classes and the increment between job classes shall be twenty-eight point five (28.5) cents.

Effective on August 1, 2015, the Standard Hourly Rate for job classes 19 and above, occupied by qualified trades people, will be adjusted by an additional ten (.10) cents. The increment between job classes shall remain at twenty-eight point five (28.5) cents.

The Standard Hourly Wage Scale shall be known as Appendix "B" hereto.

Employees hired after August 1, 2008 (excluding qualified trades people) will be paid as

follows:

- Year 1 (day 1) = 70%
- Year 2 (day 1) = 80%
- Year 3 (day 1) = 100%

Effective August 1, 1993, employees hired under the terms of Item 16 shall be paid 60% of the Standard Hourly Wage Scale for the first 1040 hours.

Former employees laid-off from Hamilton East who possesses recall rights, who have original hire dates prior to August 1st, 2008 and who are hired under the terms of Item 16, will be paid 100% of Standard Hourly Wage Scale, provided that they have completed their probationary period.

Former employees, laid-off from Hamilton East, who possess recall rights, who were hired on or after August 1st, 2008, and who are hired under the terms of Item 16, will be paid the graduated hire rate that was applicable at their time of layoff, provided that they have completed their probationary period.

- 6.04 The Standard Hourly Rate for each job class shall be the Standard Hourly Rate for all jobs classified within such job class.
- 6.05 Effective on the date specified in 6.03 the rate of pay of an employee who was receiving an out-of-line differential prior to such date shall be adjusted by increasing that rate by the amount of increase in the rate for Job Class One (1) and the following shall then govern:
 - (a) If the employee's new rate resulting from such increase is greater than the standard hourly rate for the job as provided in 6.03, the amount of such excess shall become the employee's new out-of-line differential and shall apply in accordance with the provisions of this Agreement.
 - (b) If the employee's new rate resulting from such increase is equal to or less than the standard hourly rate for the job as provided in 6.03, the rate of pay of such employee shall be adjusted to conform to the standard hourly rate for the job as provided in 6.03 and the former out-of-line differential shall be terminated.

Production and Maintenance Jobs

- 6.06 The standard hourly rate for each production or maintenance job other than a trade or craft or apprentice job shall be paid to any employee during such time as the employee is required to perform such job, except as otherwise provided in this Agreement.

Trade or Craft Jobs

- 6.07 The term "trade or craft job" shall have the same meaning as defined in the Manual.
- 6.08 The following schedule of rates shall apply to trade or craft jobs:

- (a) A standard rate equal to the standard hourly rate for the respective job class of the job.
 - (b) An intermediate rate at a level two (2) job classes below the standard rate; and,
 - (c) A starting rate at a level four (4) job classes below the standard rate.
- 6.09 Each employee regularly performing the described work of a journeyman in a trade or craft or each employee hired for or transferred in accordance with the applicable provisions of this Agreement to a trade or craft job, shall be assigned either to the starting rate, intermediate rate or standard rate classification of the respective trade or craft, which assignment shall be on the basis of his qualifications and ability in relation to the requirements of the job.
- It is understood that before an employee, assigned to the Trade or Craft Job of Welder, is demoted to a lower level of the craft because of the withdrawal of any government authorization required to perform the work included in any factor or factors of the craft, he will be entitled to an opportunity of receiving a government test for reinstatement of such authorization.
- 6.10 The Company will notify the Union of any assignment under Clause 6.09 or of any change in the assignment of trade or craft employees on the form shown as Exhibit "E" of the Manual.
- 6.11 An employee assigned to a starting rate or intermediate rate may, following the completion of periods of one thousand and forty (1040) hours of actual work for the Company in the given trade or craft, request and shall receive a determination of qualifications and ability, and shall be reclassified into the next higher rate of the respective trade or craft if such determination discloses that satisfactory qualifications and ability have been developed by the employee during the intervening period of time. The periods of one thousand and forty (1040) hours shall commence at the date of initial assignment or the date referred to in 6.12.
- 6.12 The result of the determination of such an employee's qualifications and ability shall be made effective by the Company at the beginning of the pay period closest to the date upon which the employee requested such determination. On the same date such employee, if below the standard rate classification shall be considered to have begun to accumulate the succeeding prescribed one thousand and forty (1040) hour period.
- 6.13 Any dispute concerning the determination of an employee's qualifications and ability with respect to a trade or craft job shall be resolved in accordance with the principles and procedures set forth in the "Program for the Classification of Journeymen on the basis of Qualifications and Ability" and annexed to this Agreement as Appendix "E".
- 6.14 The established starting rate, intermediate rate or standard rate of pay for a trade or craft job shall be paid to each employee during such time as the employee is assigned to the respective rate classification.

Apprentice Jobs

- 6.15 Employees who possess the requisite qualifications and ability shall be eligible together with other recruits, for apprentice training in the respective trades or crafts as the need requires. It is

agreed that one (1) apprentice will be allowed for each of the trade or craft jobs. Where there are more than four (4) tradesmen in any one (1) trade, an apprentice will be allowed for each four (4) tradesmen in that trade. All apprentices shall sign an Apprenticeship Agreement as prescribed by the Company but in case of any conflict between such Agreement and the Basic Agreement, the latter shall govern. If, upon completion of the apprenticeship period, the Company is satisfied that the employee is qualified for the trade or craft job, he shall receive a certificate certifying that he has successfully completed the apprenticeship training.

- 6.16 An employee training through an Apprenticeship Course in a given trade or craft shall commence his training at the beginning of the first one thousand and forty (1040) hour period and be paid the standard hourly rate for Job Class One (1), unless assigned by the Company to a different one thousand and forty (1040) hour period, in which case he shall be paid the standard hourly rate appropriate to that period and shall thereafter, at the conclusion of each training period of one thousand and forty (1040) hours of actual experience with the Company, be advanced to the standard hourly rate for the job class of the succeeding period as set out in the schedule of apprentice training and annexed to this Agreement as Appendix "F".

For the purposes of Clause 6.16 of the Basic Agreement, hours during which an apprentice attends classes of instruction prescribed by the Company as part of his apprenticeship training will be credited as hours of actual experience towards the accumulation of one thousand and forty (1040) hour periods.

However, an apprentice will not be considered to have completed the last one thousand and forty (1040) hour period of his apprenticeship course until he has successfully completed all of the prescribed classes of instruction for such Trade and Craft.

- 6.17 Rate changes as determined by the one thousand and forty (1040) hour periods as provided in 6.16 shall be made at the beginning of the pay period closest to the completion of the one thousand and forty (1040) hours.
- 6.18 If, at the time an employee has satisfactorily completed a trade or craft apprenticeship course of the Company, a vacancy in the said trade or craft job exists, the employee shall, subject to the provision of Section 7, and Clause 6.20 be assigned to the vacant job and paid the established starting rate of the respective trade or craft; and,
- (a) Thereafter accede to the intermediate rate at the end of one thousand and forty (1040) hours of actual work experience with the Company in the given trade or craft; and
 - (b) Thereafter accede to the standard rate at the end of an additional one thousand and forty (1040) hours of actual work experience with the Company in the given trade or craft.

- 6.19 If there is no vacancy in the respective trade or craft job upon satisfactory completion of his apprenticeship course, the apprentice shall nevertheless be considered as having the qualifications of a starting rate journeyman in the respective trade or craft. When subsequently transferred or assigned to the trade or craft job, the provisions of 6.18 shall apply.

- 6.20 Before hiring new employees for a trade or craft job, the Company shall consider any requests for transfer to such job, which have been registered with the Industrial Relations Department by

employees having the required trade or craft skills and who were previously employed on trade or craft jobs at this Works or had satisfactorily completed an apprenticeship course in the respective trade or craft at this Works.

Learner Rates

- 6.21 Learner Rates will apply only to the jobs shown on the list annexed to this Agreement as Appendix "G". Jobs may be added to or removed from such list by mutual agreement between the Parties.
- 6.22 The schedule of Learner Rates shall be determined on the basis of Factor 2 (Employment Training and Experience) of the Job Classification as follows:
- (a) Jobs in Code B.4

One (1) learner period of two hundred and forty (240) hours at a level two (2) job classes below the standard hourly rate of the job.
 - (b) Jobs in Code C.8

One (1) learner period of five hundred and twenty (520) hours at a level two (2) job classes below the standard hourly rate of the job.
 - (c) Jobs in Codes D1.2 and E1.6

Two (2) learner periods, each of five hundred and twenty (520) hours, the first at a level four (4) job classes and the second at a level two (2) job classes below the standard hourly rate of the job.
 - (d) Jobs in Codes F2.0 and higher

Three (3) learner periods, each of five hundred and twenty (520) hours, the first at a level six (6) job classes, and the second at a level four (4) job classes, and the third at a level two (2) job classes below the standard hourly rate of the job.
- 6.23 An employee assigned to a job with a schedule of learner rates shall receive credit for all time previously worked on such job in determining the appropriate rate level in the learner schedule.
- 6.24 Before hiring a new employee for a learner job the Company shall consider any present employee's request recorded by the Industrial Relations Department for transfer to such job. Such records shall be verified by the employee and be available to the Union.

Multiple Assignment

- 6.25 It is agreed that there are conditions under which an employee is regularly required to perform work covered by more than one (1) job description or by more than one (1) job classification without having been transferred from one (1) job to another as provided for under 6.45. When work is so performed, an employee is considered as having a multiple assignment to the jobs

which he is regularly required to perform.

- 6.26 The Company and the Union will agree on a list of jobs to which an employee may receive a multiple assignment. This list may be added to or subtracted from by agreement between the Parties.
- 6.27 An employee having a multiple assignment shall be paid the applicable standard hourly rate of the higher job class.
- 6.28 Article deleted August 1st, 2008.

Out-of-Line Differentials

- 6.29 An out-of-line differential is the amount an employee's existing rate on a job exceeds the standard hourly rate for such job.
- 6.30 Except as an out-of-line differential may be changed by the means herein provided, it shall continue to be paid in the amount shown on a list furnished to the Union by the Company on the signing date of this Agreement to any employee included in such list during such time as the employee occupies the job class for which the differential was established. The Company shall also furnish the Union with a list showing the amounts and employees who are to be paid new or increased out-of-line differentials by reason of 6.37.
- 6.31 If an employee with an out-of-line differential is transferred or assigned to a job having a higher standard hourly rate, then the differential shall be reduced by the amount of the increase in the standard hourly rate.
- 6.32 If an employee with an out-of-line differential is transferred or assigned to another job and under the terms of this agreement a lower standard hourly rate is applicable, then the out-of-line differential shall be terminated.
- 6.33 If such employee referred to in 6.31 and 6.32 shall be returned to the job for which the out-of-line differential was established, the out-of-line differential shall be reinstated except as it may have been reduced or eliminated by 6.34.
- 6.34 In addition to other means provided in this Agreement, increases in the increment between job classes shall be used to reduce or eliminate out-of-line differentials.

Description and Classification of New or Changed Jobs

- 6.35 The description and classification for each job in effect as of the date of this Agreement and others subsequently established shall continue in effect unless:
 - (a) The Company changes the job content to the extent of one (1) full job class or more;
 - (b) The job is terminated or not occupied during a consecutive period of one (1) year; or
 - (c) The description and classification is changed by mutual agreement of the Company and

Union.

- 6.36 Whenever the Company establishes a new job or changes the job content of an existing job to the extent of one (1) full job class or more, upwards or downwards, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:
- (a) The Company will develop a description and classification of the job in accordance with the provisions of the Manual.
 - (b) The proposed description and classification will be submitted to the Union C.W.S. Committee, which shall consist of two (2) employees, one (1) of whom shall be chairman, for approval at a meeting which shall be held quarterly. Each member of the Union C.W.S. Committee will be paid at his average hourly rate during the preceding pay period for attendance at meetings held by the Company, under the provisions of Clauses 6.36 to 6.40 of the Basic Agreement, up to but not exceeding a total of six (6) hours in any calendar month for the whole Committee and the hours may be cumulative during the term of this Agreement.
 - (c) The applicable standard hourly rate for the job shall become effective on the date the new job was established or on the date the job content of an existing job was changed.
- 6.37 If the change in job content results in a lower classification of a job any incumbent of such job at the date of such lower classification, shall receive an out-of-line differential equal to the difference between the standard hourly rate for the job before such change and the standard hourly rate thereafter. Such out-of-line differential shall be in addition to any other out-of-line differential an incumbent then has and shall be governed by the provisions of this Section.
- 6.38 Should the Company and the Union C.W.S. Committee be unable to agree upon the description and classification, the following shall be the procedure:
- (a) The Company shall install the proposed classification and the standard hourly rate for the job class to which the job is thus assigned shall apply as set forth in 6.36(c).
 - (b) The Union C.W.S. Committee may within thirty (30) days thereafter refer in writing to the two (2) Representatives designated in 6.42 an allegation that the job is improperly described or classified under 6.36.
- 6.39 If the Company is alleged to have established a new job, or changed the content of an existing job to the extent of one (1) full job class or more, and has failed to develop and submit a new description and classification, the Union C.W.S. Committee shall notify the Company in writing, specifying its allegations. The Company and the Union C.W.S. Committee shall discuss the matter, after which the Company shall reply in writing to the Union C.W.S. Committee's allegations. If the Company's reply is not satisfactory, the Union C.W.S. Committee may within thirty (30) days of the date of such reply refer the matter in writing to the two (2) Representatives designated in 6.42.

Any change in job class shall become effective in accordance with 6.36 provided, however, that

retroactivity shall not apply for more than ninety (90) days prior to the date the Union C.W.S. Committee notifies the Company of its allegations.

- 6.40 When the Company changes a job but the job content change is less than one (1) full job class, a supplementary record shall be established to maintain the job description and classification on a current basis and to enable subsequent adjustment of the job class assignment of the job for an accumulation of small job content changes in accordance with the following:
- (a) The Company will prepare a record of such change to supplement the original job description and classification.
 - (b) Such record will be submitted by the Company to the Union C.W.S. Committee. It shall not be necessary for the Union C.W.S. Committee to indicate its agreement with such record. If it is claimed that the Company has incorrectly assessed the job change or the change or changes in the job, when added to prior change or changes, requires a change in the job classification to the extent of one (1) full job class or more, the Union C.W.S. Committee shall notify the Company in writing, specifying its allegations. The Company and the Union C.W.S. Committee shall discuss the matter, after which the Company shall reply in writing to the Union C.W.S. Committee's allegations. If the Company's reply is not satisfactory, the Union C.W.S. Committee may within thirty (30) days of the date of such reply refer the matter in writing to the two (2) Representatives designated in 6.42.
 - (c) A notification made by the Union C.W.S. Committee as provided in (b) above must be filed within thirty (30) days of the date the record was submitted by the Company to the Union.

Any change in job class shall be effective as of the date of the most recent change in job content.

- 6.41 When and if job content changes of less than one (1) full job class accumulate to a total of one (1) job class or more:
- (a) The job shall be reclassified to the appropriate job class on the basis of such total accumulation and the reclassification shall become effective from the date of the most recent change in job content.
 - (b) The appropriate standard hourly rate shall be effective as of the date of such reclassification.
 - (c) A new description and classification shall be established in accordance with 6.36 embodying such accumulation of job content changes.

6.42 The Company and the Union shall each designate a representative to consider referrals submitted under Clauses 6.38, 6.39 and 6.40. The Union's representative shall be a representative of the International Union.

- (a) The two (2) representatives selected shall meet within thirty (30) days of the date the

matter was referred to them. If either representative is unable to meet within this thirty (30) day period, a substitute representative shall be designated by the party concerned and the thirty (30) day period referred to above shall be deemed to commence as of the date of his appointment. Within sixty (60) days after the date of their first meeting, the two (2) representatives shall jointly notify the parties hereto in writing of their agreement or failure to reach agreement. Agreement between the two (2) representatives shall be final and binding.

- (b) If the two (2) representatives are unable to reach agreement within the specified period, the Union may, within thirty (30) days of the date of the written notification of the two (2) representatives, notify the Company in writing of its intention to submit the dispute to mediation/arbitration under the provisions of Clauses 8.10 and 8.16 to 8.22. The Union's written notification shall contain particulars of the issues in dispute and for the purpose of 8.16 shall be considered as a grievance not adjusted in Step No. 4.

Correction of Errors

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

Transfers

- 6.44 When an employee is transferred in lieu of layoff or permanently transferred for any other reason, he shall be paid the rate of the job to which he has been transferred except as provided in 6.31.
- 6.45 An employee who is temporarily transferred from his regular job shall be paid the standard hourly rate of the job to which he has been transferred provided that if such standard hourly rate is less than the standard hourly rate of his regular job plus any out-of-line differential paid to him on his regular job, then he shall be paid the standard hourly rate of his regular job plus any out-of-line differential for the period of such temporary transfer. The word "temporary" herein shall mean not more than 15 (fifteen) working days unless extended under the terms of Clause 7.13.

Wage Grievances

- 6.46 Except as otherwise provided herein, no basis shall exist for an employee to allege that a wage rate inequity exists, and no grievance on behalf of an employee alleging a wage rate inequity shall be filed or processed during the term of this Agreement.

SECTION 7

SENIORITY

Service and Employment

7.01 For the purpose of this Agreement, service shall mean an employee's length of service with the Company at the Hamilton East facility since the date of his last hiring or rehiring, plus any credited service, but shall include service as provided in 7.11 hereunder. Where two (2) or more employees have the same service date, the employee hired after July 31, 1993, with the permanent number assigned by the company nearest to zero (0) shall be considered to have the longest length of service.

7.02 (a) An employee shall be considered a probationary employee until he has been in the employ of the Company continuously for three (3) months. Upon completion of such probationary period he shall have service dating from his last hiring date, and in the case of an employee who was previously laid off and rehired, there shall be added to such service, any periods of continuous employment of thirty (30) days or more as a probationary employee within the six (6) month period preceding his last hiring date.

(b) The parties agree that a probationary employee is not entitled to grieve his discharge and may be discharged at the sole discretion of the Company unless discharge for Union activity is alleged. A probationary employee is entitled to all other rights and privileges accruing to employees under this agreement. This clause shall continue to be so interpreted during the term of this agreement unless and until it is amended, modified or altered as a result of a specific change or amendment to the current Labour Relations Act.

Should an employee who is discharged for reasons other than Union activity wish to appeal the Company decision, he may within seven (7) days of his discharge, request a meeting with the Manager of Human Resources or his delegate, with a Union representative in attendance at the employee's request. Within seven (7) days following such meeting, the Company will issue a final decision regarding the discharge.

A probationary employee who is so discharged will be advised of the provisions of this procedure at the time of his termination. It is understood that failure to so notify the employee will not nullify the termination of such employee.

7.03 Service and employment shall be terminated when an employee:

- (a) Resigns.
- (b) Is discharged.
- (c) Is laid off for lack of work.
- (d) Is absent due to a disability not compensable under the Workers' Compensation Act, for a period exceeding the limits set forth in 7.11(a) relating to length of service and recall entitlement.
- (e) Is absent for more than three (3) consecutive working days subject to the Letter of Agreement Re Employee Absences.
- (f) Is absent due to a disability compensable under the Workers' Compensation Act for a period exceeding either, the period in respect of which temporary total or temporary partial compensation payments are made to him under the said Act, or for a period exceeding the limits set forth in 7.11(a) relating to length of service and recall entitlement, except that in the case of an employee with ten (10) or more years of

- service, for a period of five (5) years, whichever is the greater.
- (g) Fails to return to work at the termination of a Leave of Absence except with the written consent of the Company.
 - (h) Fails to report for work within ten (10) working days after being instructed to report by mailing to him of a registered notice at the last address appearing on the Industrial Relations Department records, unless the employee has obtained a written Leave of Absence from the Company for a period which does not expire within such ten (10) days.
- 7.04
- (a) The service and employment of an employee who is absent from work due to a disability, regardless of whether it is compensable under the Workers' Compensation Act or not, will be terminated in accordance with Clause 7.03 when he is laid off for lack of work.
 - (b) Such former employee will be entitled to recall in accordance with Clause 7.11 and if so recalled, will be deemed to be rehired provided that:
 - (i) If he is unable to report for work within the prescribed period due solely to being disabled with the same disability which he was suffering at the date of his layoff and termination as provided in paragraph one above, and
 - (ii) If such disability is compensable under the Workers' Compensation Act, for the period in respect of which temporary total or temporary partial compensation payments are made under the said Act and providing he has not been so disabled for more than twelve (12) consecutive months since the month in which such disability began, and
 - (iii) If such disability is not compensable under the Workers' Compensation Act, for the period in respect of which he is eligible for weekly indemnity benefits under the Group Insurance Program for such disability.
 - (c) A former employee who is deemed to be recalled and rehired in accordance with the above provision will be deemed to be an employee for all purposes of the Agreement for an Insurance Program and the Agreement for a Pension Plan.
- 7.05 The Company shall provide a service list showing the starting date with the Company of all employees. In the case of employees with credited service, their Company starting dates shall be adjusted to include such credited service. Such list shall be posted on the bulletin board and shall be available at the Industrial Relations Department for inspection by officers of the Union or any Steward. The Company will not unreasonably refuse Union requests for updated seniority lists as required. However, it is understood that the Company will be expected to update the list on a monthly basis.

Increase and Decrease of Working Forces

- 7.06 In all cases of promotion (except promotion to positions excluded from the Bargaining Unit or positions requiring technical or other training or special educational qualifications), and, in all cases of decrease or increase of working forces, the following factors shall be considered by the

Company:

- (a) Service.
- (b) Knowledge, efficiency and ability to perform the work.
- (c) Physical fitness.

Where factors (b) and (c) are relatively equal, factor (a) shall govern.

7.07 The Parties agree that in the case of short temporary periods of layoff, decrease in working force or other interruptions of work, it may not be practicable to implement the provisions of this Section. Both Parties agree to make every reasonable effort to reach a mutually satisfactory understanding in such cases.

- (a) It is not intended that the provisions of this Section are to be waived in respect of any such short periods in excess of five (5) working days in a calendar month or ten (10) working days in each half of a calendar year, except by mutual consent.
- (b) It is understood that the application of this clause will not result in a loss of more than five (5) consecutive working days at any one time.
- (c) It is further understood that the Company will make every reasonable effort to avoid repeated loss of time for an employee or a group of employees in the application of this paragraph.

7.08 (a) Subject to the provisions of 7.06 whenever a decrease in working force is necessary, probationary employees and employees hired under the provisions of Item 16 in the division affected will be laid off first, and then the most junior employee with service displaced from his job description must displace any junior employee in any other description provided his service is greater than that of the employee to be displaced;

Such displaced employee shall not be entitled to be laid off work until he has exercised his entitlement under the above provision and work is not available to him.

- (b) (i) The Company and the Union have agreed that when an employee has exercised his entitlement to all of the provisions of Clause 7.08(a) and would otherwise be laid off work, such employee will be entitled to be considered for assignment to a job as follows:
 - (a) The job held by the most junior service employee in the plant who is junior in service to such employee specified above provided such job is Job Class Eight (8) or less and either does not have a learner period or has a learner period of 240 hours as specified in Appendix "G" of the Basic Agreement.
 - (b) Provided that such senior employee has the basic knowledge to absorb the necessary training so as to become qualified to perform such job within a three (3) week period, in which event,

- (c) The Company will not apply the provisions of Clause 7.06(b) when assigning such senior employee to such job.

It is understood and agreed that no other employee may file a grievance with respect of the application of these provisions and in any event such grievance will not be arbitrable.

- (ii) The Company and the Union agree that new classifications which require two hundred and forty (240) hours learner periods may, by mutual agreement of the parties, be added to the list attached.

7.09 Executive Officers, Chief Stewards, and Committeemen of Local 5328 who are employees of the Company will be given preferential service during a layoff for the purpose of carrying on their Union duties, provided, that any such Officers, Chief Stewards and Committeemen can satisfactorily perform the jobs available during such layoff, and provided further that the total number of Union Officers and the Chief Stewards granted such service will not exceed seven (7).

A list of which positions out of the Executive Officers, Chief Stewards, and Committeemen shall be furnished to the Company. Any officer, whose position is not included in the list, and who had not been laid off, but retained because of the position he/she held in the Local Union, will be thereafter laid off in accordance with Section 7 and the Employment Standards Act.

7.10 (a) Whenever an increase is to be made in the number of employees working on a job description within a division, particulars of the permanent job to be filled will be posted on the notice board of the division for a period of five (5) calendar days. Any employee in the division concerned may apply in writing to his supervisor within such five (5) day period. The job will be filled in accordance with 7.06 with employees being considered in the following order:

- (1) Employees of the division in which the vacancy occurs, and where an appointment is not made from that group,
- (2) Employees entitled to recall to the division as provided in 7.12, and where an appointment is not made from that group,
- (3) Employees from the other division, and where an appointment is not made from that group,
- (4) Former employees entitled to recall in accordance with 7.11.

(b) Where a permanent job cannot be filled in accordance with 7:10(a), qualified employees, excluding any employee hired prior to June 1, 1994 and who has received training on a job prior to August 1, 2008, will be deemed applicants for the job in the following order.

- (1) Junior qualified employee within the Division from a lower job class,

- (2) Junior qualified employee within the Division from the same job class,
 - (3) Junior qualified employee within the Division.
- (c) All subsequent vacancies which result from the filling of the above posted vacancy will be filled by employees within the division in accordance with 7.06.
 - (d) The successful applicant shall be transferred to his new position within fifteen (15) working days after the posting has been awarded. If the employee cannot be transferred to the new job description within the fifteen (15) working day period, the employee shall be paid the temporary transfer rate.
 - (e) In applying the provisions of (a) and (b) above, only an employee who has occupied his job for a minimum of six (6) months or who is occupying a job as a result of a decrease in working force, will be considered for a job vacancy which carries an equal or lower standard hourly rate than the job which he occupies.
 - (f) Nothing herein shall preclude the Company from making a temporary appointment, not to exceed fifteen (15) working days, to any job.
 - (g) Where special circumstances arise in the application of Clause 7.10, the parties will immediately review such circumstances so as to identify and implement a mutually satisfactory resolution.

Furthermore, it is recognized that there may be special circumstances which may arise when a job vacancy is posted and both a junior employee retained in the plant solely due to special skills and a senior former employee on layoff are qualified. If in the application of 7.10(a), the junior employee would be the successful applicant, it is the intention of the Company to recall the senior former employee to a labour job prior to filling the job vacancy, provided the senior employee will apply for and accept the posted job vacancy.

It is agreed and understood that when a permanent job vacancy is posted, during the interval period between the posting and filling of such vacancy and the filling of the resulting subsequent vacancies, the Company may hire a person into the job of Labour Clean Up (J.C.2) and such new employee may be temporarily transferred to fill jobs during such interval period as may be required. When appointments are made final under clause 7.10, the person hired as Labour Clean Up will be assigned into the last subsequent vacancy.

The job of Labour Clean Up will not be required to be posted prior to the hiring of such new employee.

- (h) The Company agrees to provide the Union with copies of all “Notices of Job Vacancy”, applicants, and the name of the successful applicant within five (5) calendar days of posting the successful applicant.
- 7.11 (a) When an employee has been laid off he shall be entitled for the appropriate period as

hereinafter provided in (1), (2), (3), (4) and (5), to recall subject to 7.06.

- (1) Less than two (2) years of service at the date of layoff - for a period of twenty-four (24) months from the date of layoff.
 - (2) Two (2) years but less than three (3) years of service at the date of layoff - for a period of thirty (30) months from the date of layoff.
 - (3) Three (3) years but less than four (4) years of service at the date of layoff - for a period of thirty-six (36) months from the date of layoff.
 - (4) Four (4) years but less than five (5) years of service at the date of layoff - for a period of forty-two (42) months from the date of layoff.
 - (5) Five (5) or more years of service at the date of layoff - for a period of forty-eight (48) months from the date of layoff.
- (b) If a former employee is recalled and rehired within the applicable period, his service shall include service prior to such layoff and further accumulation of service as follows:
- (1) In the case of an employee with at least six (6) months of service at the date of layoff, the first six (6) months of the layoff will be included with his prior service, or
 - (2) In the case of an employee with at least one (1) year of service at the date of layoff, the first nine (9) months of the layoff will be included with his prior service, or
 - (3) In the case of an employee with three (3) years or more of service at the date of layoff, the first fifteen (15) months of the layoff will be included with his prior service.
- (c) If a former employee fails to report for work within ten (10) working days after being recalled by a registered letter addressed to the last address on the employment records, he shall not be further entitled to recall.
- (d) A former employee who is entitled to recall shall be eligible to file a grievance concerning such recall.

7.12 An employee transferred in lieu of layoff to another division in accordance with the provisions of 7.08 or recalled to another division in accordance with the provisions of 7.11, shall, for a period of one (1) year from the date he was displaced from his original division and subject to 7.06, be entitled to recall to the division from which he was originally displaced and, if recalled, be required to return to that division. The Company may release the employee from his obligation to return to the division.

If an employee is recalled across divisional lines he shall have the option to decline such recall if the recall is to a job that carries a lower rate of pay than the job he is occupying at the time of

recall.

Transfers

- 7.13 An employee may be temporarily transferred from one (1) job description to another but no such transfer shall exceed a period of fifteen (15) working days, except by mutual agreement between the Company and the Union. Where such transfers involve training opportunities, the Company will give consideration to the senior qualified employees available for transfer in the division.

An employee who has not completed his learner hours on the job to which he has a Training or Vacation Relief appointment and who is assigned to a temporary vacancy on that same occupation will be paid:

- (a) As a Temporary Transfer (i.e. at standard hourly rate) where such vacancy is due to absence of any employee for reasons other than vacation time off and such vacancy is for one or two shifts duration; or,
- (b) As a Vacation Relief (i.e. at the appropriate learner rate) where such vacancy regardless of cause exceeds two (2) shifts. The employee assigned to such vacancy will be paid for the entire period of such assignment as Vacation Relief.

Once the employee has completed his learner hours, any appointee to a Vacation Relief position who is assigned to a temporary vacancy will be considered as a temporary transfer.

- 7.14 (a) An employee requesting a transfer from one (1) division to another shall, if transferred, retain his service in the division from which he was transferred for a period of thirty (30) days after which his service shall be transferred to the new division. If an employee so transferred does not do the required work satisfactorily and maintain the standard rate of production established on the job within such thirty (30) day period, he shall be returned to his former division if it is operating and to his old job if and when it is operating or if the employee is dissatisfied with the job he has been transferred to within the thirty (30) day period.
- (b) An employee transferred from one division to another by the Company or transferred to a job in lieu of layoff, or recalled to a division in accordance with the provisions of 7.11 or 7.12 shall carry with him the service record which he has accrued in the division from which he was transferred, laid off or recalled.
- 7.15 If non-bargaining unit personnel who have previously worked in the bargaining unit are transferred from a non-bargaining unit position to a bargaining unit job, they shall be entitled to credit for their full service with the Company including time worked outside the bargaining unit. Such non-bargaining unit personnel shall not, however, be credited with service for time worked as a non-bargaining unit position in excess of two (2) continuous years or in excess of two thousand and eighty (2080) hours in any two (2) year period for the purposes of the application of Section 7 only.

Veterans

- 7.16 Credited service shall include service formerly granted for time spent in Her Majesty's forces. Such service may be applied for the purposes of employment, continuation of employment and promotion only.

SECTION 8

ADJUSTMENT OF DISPUTES

Union Representation

- 8.01 The Union shall be entitled to select Stewards, some of whom may be designated Chief Stewards, for the major divisions of the Works, and also Stewards for the divisions as set forth in Appendix "H" hereto.
- 8.02 The Chief Stewards and the Union President/Unit Chair of the Hamilton East facility shall constitute a Grievance and Negotiating Committee of five (5) members, one (1) of whom shall be Chairman.
- 8.03 Employees so selected to represent the Union shall at the time of their appointment have at least one (1) year of service. The Union shall advise the Company in writing of all employees so selected.
- 8.04 The duties of the Chief Steward, Stewards and Grievance Committee shall be to assist in adjusting disputes in accordance with the terms of this Agreement. Stewards shall be limited to the servicing of disputes in the division for which each is appointed while such disputes are being processed through Step No. 1. Chief Stewards shall be limited to the division of the Company for which each is appointed while such disputes are being processed through Step No. 2, and as members of the Grievance Committee to the extent hereinafter provided.
- 8.05 The Grievance Committee shall be afforded such time off without pay (except as hereinafter provided) as may be required for attendance at meetings with Management, which the Union requests. Each member of the Grievance Committee will be paid at his average hourly earned rate during the preceding pay period, for attendance at meetings held for the processing of grievances at Step Nos. 3 and 4, up to but not exceeding, a total of thirty-two (32) hours in any calendar month for the whole Committee, and the hours may be cumulative during the term of this Agreement. Union members shall be paid at their average hourly earned rates for attendance at meetings called by Management.
- 8.06 A representative of the Union shall obtain the permission of his Supervisor before leaving his work to deal with a grievance. Such permission shall not be unreasonably withheld.

Grievance Procedure

- 8.07 Step No. 1

Any employee who believes that he has a justifiable grievance may discuss and attempt to settle same with the shift supervisor, with or without a Steward being present, as the employee may elect. Grievances not adjusted in this way within two (2) working days may be appealed to Step No. 2.

Where the employee elects to have a Steward present, the settlement of a grievance at Step No. 1 shall not constitute a precedent nor be used as a precedent in future cases by either the Company or the Union and shall be without prejudice to the position of either party.

8.08 Step No. 2

Notice of appeal must be given to the Division Head by the Chief Steward of the division within three (3) working days after receiving the decision of the supervisor. Such notice shall consist of a verbal statement of the grievance containing particulars of the incident giving rise to the grievance. The Division Head shall meet with the Chief Steward (and the griever when mutually agreed upon) within ten (10) working days, and investigate the grievance and attempt to settle it. A verbal decision shall be given by the Division Head within four (4) working days after the date of such meeting. Grievances not adjusted in Step No. 2 may be appealed to Step No. 3.

8.09 Step No. 3

Notice of appeal must be given in writing within seven (7) working days from the date of the verbal decision of the Division Head to the Human Resources Manager of who shall meet with the Chief Steward, within ten (10) working days, and investigate the grievance and attempt to settle it. A written decision shall be given by the Human Resources Manager within ten (10) working days after the date of such meeting.

8.10 Step No. 4

(a) Notice of appeal must be given in writing within seven (7) working days from the date of the written decision from the Human Resources Manger. The Director shall meet with the Grievance Committee, which may be accompanied by an International Representative of the Union, to investigate the grievance and attempt to settle it. A written decision shall be given by the Director within ten (10) working days after the date of such meeting.

(b) The parties agree to use the services of a grievance mediation officer, on a non binding basis, prior applying for arbitration.

8.11 Except as otherwise provided, grievances must be presented at Step No. 2 within nine (9) working days from the date of the incident giving rise to the grievance. Grievances not presented within the times aforesaid shall not be considered under the Grievance Procedure and in any event are not arbitrable.

8.12 A grievance once processed at any step of the Grievance Procedure will not be again considered except by way of appeal taken within the times therein provided.

- 8.13 No employee other than a probationary employee shall be discharged without first being given seven (7) days notice, except in cases of serious misconduct when discharge shall be effective immediately. The Company will notify the Chief Steward of all immediate discharges or notices of discharge given to employees in his division within forty-eight (48) hours after such discharge or notice of discharge has been effected. Grievances relating to discharge or notice of discharge may be initiated at Step No. 3 of the Grievance Procedure.
- 8.14 (a) In the event that more than one (1) employee is directly affected by one (1) specific incident and each such employee would be entitled to process a grievance, the Chief Steward may sign the statement of the grievance on behalf of the aggrieved employees and shall identify the grievance as a "Group Grievance". Where retroactive wages are claimed, the names of such employees shall be attached to the grievance.
- (b) If the Company is alleged to have violated any such provisions of this agreement and such violation affects the interest of the Union as a party to the Agreement, the Union may file a grievance, beginning at Step No. 2, which shall be signed on behalf of the Union by the Chairman of the Grievance Committee and shall be identified as a "Union Policy Grievance".
- (c) Grievances that concern the interpretation, application or administration of the CWS Manual may be initiated by the Union and shall be resolved in accordance with the provisions of this Section beginning at Step No. 3.
- 8.15 The Grievance and Arbitration Procedure may be invoked by the Company. Such grievances may be initiated by the Company at Step No. 3 of the Grievance Procedure by filing with the Chairman of the Grievance Committee. For such purposes the provisions of this Section 8 shall be read and construed with necessary changes.

Arbitration

- 8.16 Grievances, not adjusted in the Grievance Procedure, relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, may be referred to Arbitration by notice in writing to the Plant Manager within fifteen (15) working days from the date of his written decision. Such notice shall specify the Agreement clauses involved.
- 8.17 Within ten (10) days from the date on which the grievance is referred to arbitration, the parties shall meet and attempt to agree to a single arbitrator. If the parties agree to a single arbitrator, but do not agree on the appointee, the arbitrator shall be appointed by the Minister of Labour for Ontario.
- In the event that the parties agree on a single arbitrator, this section will be interpreted to reflect one single arbitrator.
- 8.18 The two (2) appointees so selected shall, within five (5) days of the appointment of the second of them appoint a third person who shall be the Chairman.
- 8.19 Where the representative of the Union has been appointed in accordance with 8.17 and the

Company fails to appoint a representative as therein provided, or where the two (2) representatives fail to agree upon a Chairman within the time specified, the appointment shall be made by the Minister of Labour for Ontario, upon the request of either party.

- 8.20 The Board shall not have any authority to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, or to give any decision contrary to the terms and provisions of this Agreement, or to deal with wages except as provided in this Agreement, but, save as aforesaid, the decision of the Board or of a majority of the arbitrators shall be final and binding upon the Parties hereto and upon any employee or employees concerned. The Board may nevertheless decide whether or not retroactive wages are payable because an employee has been deprived of wages as a result of a violation of the Agreement by the Company and, where such violation involves disciplinary action resulting in loss of wages, whether the disciplinary action should be modified if in the opinion of the Board the extent of the discipline is unreasonable in relation to the offence. Except as otherwise provided in this Agreement, the Board may not award such retroactive pay for a period in excess of sixty (60) days immediately preceding the date of the written statement of the grievance provided at Step No. 2 of the Grievance Procedure.
- 8.21 In no event will retroactive pay be allowed in connection with the settlement of a grievance of an individual employee or a group of employees who, while the grievance is pending, engages in a work stoppage, strike, slowdown, sit-down, or any other interference with production or work.
- 8.22 The Union and the Company shall each pay one-half (1/2) of the remuneration and expenses of the Chairman of the Board, and save as aforesaid, shall each bear its own expenses of any such arbitration.

SECTION 9

STRIKES AND LOCKOUTS

- 9.01 There shall be no lockout by the Company and no interruption, work stoppage, strike, sit-down, slowdown, or any other interference with production by any employee or employees during the term of this Agreement.
- 9.02 Any employee who participates in any interruption, work stoppage, strike, sit-down, slowdown, or any other interference with production may be disciplined or discharged by the Company.

SECTION 10

VACATIONS

- 10.01 (a) An employee shall be entitled to an annual vacation with pay in accordance with the following schedule, on the basis of his service at July 1st in each year:

One (1) year of service but less than five (5) years - Two (2) weeks.

Five (5) years of service but less than nine (9) years - Three (3) weeks.

Nine (9) years of service but less than fifteen (15) years - Four (4) weeks.

Fifteen (15) years of service but less than twenty-two (22) years - Five (5) weeks.

Twenty-two (22) years of service but less than thirty (30) years - Six (6) weeks.

Thirty (30) years of service or more - Seven (7) weeks.

- (b) An employee who has not completed one (1) year of service as of July 1 will be entitled upon completion of his probationary period to one (1) day of vacation for each month of completed service as of July 1, to a maximum of five (5) days of vacation.

Payment for such vacation shall be in accordance with Clause 10.05. The time at which vacation shall be taken shall be prescribed by the Company.

- (c) An employee with thirty (30) or more years of service shall be entitled to fifteen (15) weeks of extended vacation with pay in addition to his regular vacation entitlement under 10.01(a) prior to his retirement date, less any vacation entitlement taken under this provision.
- (d) An employee with twenty-two (22) years of service or more and who has accumulated one thousand and forty (1040) working hours in the vacation year shall be entitled to postpone up to a maximum of eight (8) weeks' vacation and any such accumulated vacation shall be taken in the time immediately prior to that employee's date of retirement. All banked vacation shall be paid at the full rate as outlined in clause 10.03(a).
- (e) An employee may elect to schedule one (1) week of vacation entitlement in single days. Such vacation days shall be scheduled prior to the posting of the weekly work schedules and shall be scheduled subject to the needs of the operation.

10.02 For the purpose of this section "vacation year" shall be as defined in letter re Vacation Pay.

The term "calendar quarter year" which is used in Clause 10.03 (a) shall mean the periods of time outlined below:

<u>Calendar Year</u>	<u>Calendar Quarter</u>	<u>Period of Time</u>
2012	First	Dec. 16/11 to Mar. 22/12
	Second	Mar. 23/12 to June 14/12
	Third	June 15/12 to Sept. 20/12
	Fourth	Sept. 21/12 to Dec. 13/12

2013	First	Dec. 14/12 to Mar. 21/13
	Second	Mar. 22/13 to June 13/13
	Third	June 14/13 to Sept. 19/13
	Fourth	Sept. 20/13 to Dec. 12/13
2014	First	Dec. 13/13 to Mar. 20/14
	Second	Mar. 21/14 to June 12/14
	Third	June 13/14 to Sept. 18/14
	Fourth	Sept. 19/14 to Dec. 11/14
2015	First	Dec. 12/14 to Mar. 19/15
	Second	Mar. 20/15 to June 11/15
	Third	June 12/15 to Sept. 17/15
	Fourth	Sept. 18/15 to Dec. 10/15
2016	First	Dec. 11/15 to Mar. 17/16
	Second	Mar. 18/16 to June 09/16

The term "vacation year" which is used in Clause 10.03 (b) shall mean the periods of time outlined below:

<u>Vacation Year</u>	<u>Period of Time</u>
2012	June 17/11 to June 14/12
2013	June 15/12 to June 13/13
2014	June 14/13 to June 12/14
2015	June 13/14 to June 11/15
2016	June 12/15 to June 09/16

Nothing in this letter shall affect any employee's vacation entitlement which is determined under Clause 10.01 of the Basic Agreement.

It is understood that in the event that the above dates are changed as a result of any changes to the payroll system this Item will be amended accordingly. At that time the Company will meet with the Union to discuss such changes.

- 10.03 (a) Except as provided in (b) hereof vacation pay for each week of vacation shall be established by multiplying the employee's average hourly earnings during the calendar quarter year immediately preceding the vacation by forty (40). Average hourly earnings shall mean the average of the standard hourly wage scale of the jobs that the employee has occupied during the quarter, plus shift premiums and Sunday premium.
- (b) Vacation pay for each week of vacation shall be 2% of the employee's average standard hourly wage rate as per Appendix B, during the vacation year, if the employee:
- (1) Has been on leave of absence for reasons other than disability or Union business directly related to the bargaining unit, for more than a combined total of three hundred and fifty (350) hours during the

vacation year, or

- (2) Has worked less than one thousand and forty (1040) hours during the vacation year for any reason.

Hours not worked during the vacation year while on Union business directly related to the Bargaining Unit shall also be deemed to be hours worked for the purpose of this provision.

- (c) An employee shall receive 85% of his vacation pay for each week of vacation prior to the vacation being taken, if requested at least thirty days (30) prior to the beginning of the vacation period.
- 10.04 (a) An employee shall receive an additional payment equal to a percentage of the appropriate amount, as provided below, calculated under 10.03 in respect to the length of vacation he is entitled to under 10.01 (a) depending upon the month when each such week of his vacation entitlement is taken:
- (i) During the months of January, February, March, April, November and December -- 25%
 - (ii) During the months of May, June, July, August, September and October -- 20%
- (b) The appropriate payment as provided above for each such week of vacation entitlement will be determined on the basis of the month in which the first scheduled day of such week of vacation is taken.
- (c) Such additional payment shall not apply to vacation pay for extended vacations provided in 10.01 (b) and (c).
- 10.05 An employee with three (3) months of service but less than one (1) year at July 1st shall be paid as vacation pay 4% of his earnings from the date of his employment to July 1st.
- 10.06 An employee whose employment is terminated shall be paid vacation pay in the amount of 2% of his earnings since the preceding July 1st in respect of each week of vacation to which he was entitled on such July 1st, plus any payment to which he is entitled under Clause 10.04.
- 10.07 The Company and Union agree that an employee may be scheduled for a week of vacation, commencing on any day of the last calendar week of December, even though such week of vacation may not terminate until after December 31st and providing that such week of vacation commences prior to January 1st.

The parties agree that any employee scheduled for vacation in accordance with the above, will be considered as having been properly scheduled and paid for such week of vacation on the basis that the week of vacation will be considered for all purposes to be a week of vacation entitlement in the calendar year in which it commenced. In addition, hours not worked while on such week of vacation shall be deemed to be hours worked for the purpose of Clause 10.03 (b) (2).

- 10.08 The Company recognizes the desirability of scheduling vacations during the summer months of the year and the objective will be to schedule as many weeks of vacation as practical during July and August.

The number of vacation weeks to be scheduled, business conditions and the availability of qualified employees for vacation relief are factors which must be considered in establishing vacation schedules.

The Company, however, will schedule two (2) weeks' vacation entitlement for all employees having five (5) years service or more during the period between the week beginning with the first Sunday in June and the week beginning the third Sunday in September.

If it is practical for some Works and even in some divisions at the various Works to improve upon this schedule the Company will do so. If conditions beyond the Company's control prevent it from carrying out this commitment the Company will discuss the matter with the Union with the objective of working out suitable alternative arrangements.

- 10.09 The Company will continue to ensure that, at the time that vacations are being scheduled, where it can be determined that an employee will be out of the bargaining unit for a period of at least three (3) months during the calendar year, such employees vacation time will not be included in the bargaining unit vacation schedule.
- 10.10 The time at which the vacation of any employee shall be taken shall be prescribed by the Company. When a division is completely shut down, all employees qualifying for vacations with pay, normally will be required to take their vacations during the shutdown period. In any cases where the length of the vacation is greater or less than the shutdown period, the management will endeavour to make satisfactory arrangements. The Company shall finalize vacation schedules by February 28th of the current calendar year. Approved vacation taken, in its entirety, between January 1st and the last calendar day of February will not be deemed the employee's first pick.
- 10.11 Employees whose vacation entitlement exceeds four (4) weeks, in accordance with 10.01, may submit a request in writing, to the Company to receive payment for the portion of vacation entitlement exceeding four (4) weeks to a maximum of three (3) weeks. These requests shall be submitted to the Company in writing by January 15th. Vacation payouts will in accordance with 10.04(a)(ii).

SECTION 11

STATUTORY HOLIDAYS

- 11.01 All employees covered by the Basic Agreement will receive a day's pay (computed under the provisions of 11.03) for Christmas Day.
- 11.02 An employee having at least thirty (30) days service shall receive a special allowance for the

day on which New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day and Boxing Day is celebrated.

In addition to such holidays, eligible employees shall receive a Statutory Holiday Allowance for one (1) Floating Holiday to be scheduled in and around the Christmas/New Year's week. Prior to December 1st of each year, the Manager and Local Union President/Unit Chair will endeavour to agree upon the date for the observance of such holiday. In the event that they are unable to reach agreement, the Manager will designate the date which is to be observed.

In order to qualify for the special allowance, an employee must work one (1) turn in the calendar month in which such specified holiday is celebrated. Days of scheduled vacation shall not be considered scheduled work days. Days spent on Union business shall be considered days worked.

- 11.03 The special allowance shall be computed by multiplying the number of hours normally scheduled for a turn for the employee by the average hourly rate earned by him in the preceding pay period.
- 11.04 An employee who qualifies for the special allowance and is required to work on such holiday shall not be entitled to such special allowance unless he reports for work accordingly and works the hours for which he is scheduled. If, however, the employee was prevented from so working by reason of absence, he shall be entitled to the special allowance, provided that he complies with the provisions of the Letter of Agreement Re Employee Absence.
- 11.05 An employee who qualifies for the special allowance and is scheduled to work and works the hours for which he is scheduled on any such day, shall be paid for the time worked on such a day at one and one-half (1-1/2) times his regular rate of pay in addition to such special allowance. Hours worked by such an employee in excess of the standard working day on any such holiday shall be paid at the rate of double time.
- 11.06 For the purposes of 11.02 and 11.04 for a special allowance only, the Company will allow up to one (1) hour lateness per turn.
- 11.07 Employees who do not qualify for the special allowance shall be paid at the rate of time and one-half (1/2) for work performed on a day on which any such holiday is celebrated.
- 11.08 The hours of the statutory holiday shall be the twenty-four (24) hour period following the commencement of the day turn on the holiday unless some other twenty-four (24) hour period is mutually agreed upon.

SECTION 12

BULLETIN BOARDS

- 12.01 The Union will be allowed space on bulletin boards furnished by the Company at different

locations throughout the plant for the purpose of posting notices regarding meetings and matters pertaining only to the Union. Before posting, all notices shall be submitted to the Manager of Human Resources or the Operations Manager for approval.

SECTION 13

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety

- 13.01 (a) The Company and the Union agree to comply with the requirements of the Occupational Health and Safety Act, 2006 and the CSA standards referenced therein.
- (b) The Company and the Union agree to comply with the requirements of all Federal and Ontario Provincial Legislation that deals with Health and Safety and/or the Environment, including the Occupational Health and Safety Act, 2006, and the appropriate regulations and amendments hereunder.

Joint Health & Safety Committee

- 13.02 The Company and the Union recognize the following Joint Health and Safety Committee for the purposes of assisting in the resolution and administration of Health and Safety and occupationally-related environmental matters:
- (a) The Joint Health and Safety Committee will be composed of not more than three (3) Union Health and Safety representatives, one of whom shall be the Union Health and Safety Co-chair. The Company will be represented on such Committee by an equal number of representatives, one of whom shall be the Company Health and Safety Co-chair.
- (b) The Union shall be entitled to appoint three (3) Health and Safety representatives and three (3) alternates whose function is to replace the Representatives in the event the Representatives are not available. The Union shall advise the Company in writing of the names of the employees so appointed. Such employees shall have at least one (1) year of service at the time of their appointment.

Joint Health and Safety Committee Meetings

- 13.03 (a) The Co-chairs shall conduct a meeting at least six (6) times per year to discuss matters relative to Health and Safety in the plant. It is understood that the Co-chairs will exchange agendas, at least one week in advance of such meetings.
- (b) Members of the Joint Health and Safety Committee shall be permitted up to two (2) hours off work with pay prior to such meeting in order to prepare presentations to the Joint Health and Safety Committee.

- (c) Joint minutes shall be maintained and distributed to all of those in attendance at any Joint Health and Safety Meeting. Designates from the Company and the Union shall endeavour to distribute and post these minutes as expeditiously as possible.
- (d) It is understood that meetings between the Union Health and Safety Co-chair or his delegate, and the Operations Manager or his delegate, may be arranged in addition to regular Joint Health and Safety Meetings to consider additional areas of concern. It is understood that such meetings will take place at a time mutually agreed to by the parties.
- (e) The Union Health and Safety Committee may be afforded time off, paid by the Company, over and above that provided in other clauses of the Basic Agreement or legislation. Such time off will be subject to the approval of the Manager of Human Resources and the reasons for such time off must be of nature expected to result in improved levels of Health and Safety, and/or a reduction in the number or frequency of lost time accidents at the Hamilton East facility. Such approval will not be unreasonably withheld.

Workplace Inspection Tours

- 13.04 (a) The Union Health and Safety Co-chair or his delegate and the Company Health and Safety Co-chair or his delegate shall conduct inspections of the physical conditions of the workplace monthly at a mutually agreed to time. The inspections may focus on any other criteria or activity pertaining to Health and Safety and/or the environment as mutually agreed to by the Co-chairs.
- (b) At the conclusion of the inspection a review shall be conducted by the participants and items of concern shall be prioritized.
- (c) The participants shall then jointly prepare the minutes of the tour and bring forth previous tour's outstanding issues.
- (d) Copies of the tour minutes will be distributed to the Joint Health and Safety Committee Members, Union President/Unit Chair, and the Operations Manager or his delegate.
- (e) Issues may be assigned by the Joint Health and Safety Committee to individuals for further action. It is understood that these individuals will be expected to respond on the status of these issues no later than the next scheduled Joint Health and Safety Meeting.
- 13.05 Any Health and Safety Representative may discuss matters of immediate concern with respect to Health and Safety or the Environment in the workplace provided that:
- (a) He may not leave his workstation without the permission of his immediate supervisor. Such permission shall not be unreasonably withheld.
 - (b) Such discussions shall be held at a time and place convenient to both parties. Every effort shall be made to discuss the matter prior to the end of the shift.

Accident Investigations

- 13.06 The Union Health and Safety Co-chair or in his absence a Health and Safety Representative shall be notified and permitted to attend and participate in all division accident investigations. For the purpose of this provision, accidents which shall be investigated include:
- (a) All Lost Time Accidents
 - (b) All Possible Lost Time Accidents (as evidenced by light duties assignments lasting in excess of one (1) shift duration).
 - (c) Near-Miss occurrences with demonstrated potential for serious injury as determined by the Division Head or recommended by the Joint Health & Safety Committee.
- 13.07 All minutes of Accident Investigations shall be supplied to the Joint Health and Safety Committee Members, Operations Manager, Union President/Unit Chair, and all other attending parties.

Job Safety Procedures/Industrial Hygiene

- 13.08 (a) The Joint Health and Safety Committee shall be provided the opportunity to review and submit recommended changes on any written job safety procedure currently in effect, and on any new job safety procedures, prior to the issuance of such procedures.
 - (b) The Joint Health and Safety Committee shall be advised prior to the implementation of any new safety programs and/or policies.
 - (c) The Company recognizes that changes in mill processes can potentially create a need for workplace monitoring which shall be conducted where recommended by the joint Health & Safety Committee.
- 13.09 The Company shall supply the Union Health and Safety Co-chair a copy of all Material Safety Data Sheet forms in the Hamilton East facility.
- 13.10 The Company shall consult the Union Health and Safety Co-chair or his delegate regarding any planned industrial hygiene testing.
- 13.11 Results of any completed available studies on in-plant air, water quality control and structural reports will be reviewed by the Joint Health and Safety Committee at their regular meetings.
- 13.12 Results of medical examinations will be made available to an employee's family physician at the request of the employee.
- 13.13 The Company will subsidize the cost of safety boots or safety shoes of a kind required to be worn by the Company to the following extent:
- (a) 100% of the cost of safety boots with metatarsal protectors providing such protectors are properly worn;

- (b) In recognition of certain situations where work is required in damp areas such as the Oil Temper and Cleaning Line, the Company will pay 100% of the cost of any subsequent pair of boots or shoes in the twelve (12) month period following a purchase under (a) above, where required due to extreme wear and where advance approval is obtained from the Human Resources Department.

In order to purchase a new pair of boots or shoes, an employee must return his worn out pair.

The Company will consult with the Joint Health and Safety Committee in determining the appropriate footwear for the purposes of the application of this provision.

- 13.14 The Company will continue to supply other safety equipment, as well as gloves, when such equipment is required for the performance of the job as is mutually agreed to by the Joint Health & Safety Committee. His worn out equipment must be returned before new equipment will be supplied. As recommended by the Joint Health and Safety Committee, the Company will supply appropriate health and safety related work attire for employees.

Code of Practice

- 13.15 The parties agree to maintain of the Code of Practice which shall describe programs and/or activities which seek to promote high standards of Health and Safety for all Hamilton East employees. In this regard the Joint Health and Safety Committee agree that their respective representatives shall act in a co-operative and responsible manner. The parties agree to abide by the programs and activities described in the Code of Practice.

The Company agrees to provide new employees with eight (8) hours of indoctrination including four (4) hours, to be done by the Joint Health and Safety Committee, and four (4) hours orientation, to be done by the Company and the Union Representatives. Such eight (8) hours shall be scheduled by the Company.

Payment

- 13.16 Time spent by the Union Health and Safety Committee in the performance of the functions set out in Clauses 13.03, 13.04 and 13.05 above will be deemed to be time worked and will be paid according to the provisions of the Agreement.
- 13.17 The Company will provide the Union Joint Health & Safety Committee with an office in the plant.

With prior discussions with the Union, the Company reserves the right to revoke the use of this office if it is used for purposes other than those specifically related to Health and Safety.

- 13.18 The Company agrees to recognize a “Day of Mourning” as follows:
 - (a) By lowering the Canadian Flag to half mast on the official Day of Mourning as identified by the Union Health and Safety Co-chair to the Company Health and Safety Co-chair.

- (b) A one (1) minute moment of silence at a time mutually agreed to by the Health and Safety Co-chairs.
- (c) Any other form of recognition as mutually agreed to by the Health and Safety Co-chairs.

SECTION 14

LEAVE OF ABSENCE

14.01 An employee requesting a leave of absence shall apply to his Supervisor and if such leave is granted it shall be authorized in writing but shall not exceed one hundred eighty (180) days, provided, however, that if an emergency arises which prevents the employee on leave from returning at the end of the leave granted, he may apply for an extension.

- (a) Notwithstanding the above, an employee with fifteen (15) years of more of service may apply once for a special leave of absence at the time vacations are being scheduled for the following year subject to the following conditions:
 - (i) The employee's leave of absence must be taken in conjunction with the employee's remaining vacation entitlement in excess of two (2) week's vacation. An employee may request that the leave of absence be taken in conjunction with full vacation entitlement and,
 - (ii) Leaves of absence and vacation may only be taken during the period October 1st to June 21st and,
 - (iii) The employee must apply in writing to the Operations Manager.

It is understood that the granting and scheduling of such leave of absence will be subject to the needs of operations and an assessment of the reasons for the request for leave.

14.02 Upon written application to the Manager, the Company will grant extended leaves of absence, without pay, to not more than one (1) member of the Union to enable him to attend to the affairs of the Union. During any such leave of absence all service rights shall be retained except that service rights shall not be counted for the period of such leave of absence. Any such leave of absence shall not exceed six (6) months and not more than two (2) leaves of absence shall be applied for or granted in any calendar year regardless of the duration thereof.

Business of the Union

14.03 Upon written application to the Manager at least two (2) weeks prior to the event, the Company will grant leave of absence to not more than two (2) employees from any one (1) division to attend to the business of the Union.

Notwithstanding the provisions of Clause 14.03, the Company shall be under no obligation to grant any leave of absence to attend to the business of the Union for more than:

- (a) One (1) employee from any of the following areas:

Die Room
Welders
Utilities
Electrical
Annealers, or

- (b) Two (2) employees from any of the following areas:

3 Oil Temper Units and O.T.T. Continuous Wire Drawing Frame
Rod Processing
Mechanical
Shipping

It is also understood and agreed between the Parties that the granting of any leave of absence shall be subject to operating requirements. The Company agrees not to unreasonably withhold granting such leave of absence.

Special Leaves of Absence for Elected and Appointed Officials

- 14.04 (a) An employee who becomes a candidate or the senior campaign manager of a candidate for election to the office of provincial or federal member of parliament, or to the political office of Mayor, Regional Chairman, Aldermen or School Trustee will be granted a leave of absence for such purpose. In the event that an employee is appointed to or elected to any of the offices as set out above, the leave of absence for such employee will be extended for the period of time he serves in such office.
- (b) In the event that an employee is elected as an official of the United Steelworkers or appointed by the District Director of the United Steelworkers as a staff representative of the Union, the employee, upon written request by the International Office of the Union, will be granted a special leave of absence for the term of his elected office or appointment.
- (c) Company Service for any such employee as specified in A or B above shall be retained for the period prior to his leave of absence and, for the purposes of Section 7 Seniority only, shall accumulate during such leave.
- (d) The Company will extend group insurance benefits (except weekly indemnity and L.T.D.) provided that any such employee pays the full premiums for such coverage.
- (e) Credited Service for purposes of the Pension Plan shall include any calendar month during the whole of which any such employee is on such Leave of Absence as provided in A or B above. Pension benefits for an employee granted a leave of absence under B above, who is elected as an official or appointed by the Union as a representative and

who subsequently returns to full time permanent employment with the Company, will be calculated based on his accumulated Credited Service and the pension formula in effect at the date of his retirement on pension.

- (f) For the purposes of B above, it is agreed that not more than two (2) employees from Hamilton East will be granted special leave of absence for appointed or elected officials at any one time.

SECTION 15

JURY SERVICE AND BEREAVEMENT PAY

- 15.01 The Company shall pay to any employee who may be required to serve as a juror or as a subpoenaed witness in the Country in which he resides, the difference, if any, between the amount paid to him for his jury or witness services and the amount he would have received for services normally rendered to the Company during the same period of time.
- 15.02 Subject to the following regulations, the Company will make payment of wages to an employee who is absent solely due to a death in his/her immediate family.
 - (a) Such employee must have completed their probationary period of three (3) months (7.02(a)).
 - (b) Such employee except for the death and funeral would otherwise be at work.
- 15.03 Members of the employee's immediate family are defined for the purposes of this Agreement as:
 - (a) Spouse*, son, daughter, father, mother, stepmother, stepfather, stepson, stepdaughter, and;
 - (b) Brother, sister, stepbrother, stepsister, father-in-law, mother-in-law, grandson, granddaughter, grandfather, grandmother, brother-in-law, sister-in-law, daughter-in-law and son-in-law.

*Spouse; includes same sex spouse.
- 15.04 An employee will receive payment for the time lost from his/her regularly scheduled hours on the following basis;
 - (a) Payment will be made on the basis of the employee's hourly wage rate for the employee's regularly scheduled shift up to eight (8) hours per day, exclusive of overtime and other forms of premium pay.
 - (b) Payment will be made for up to five (5) days' absence in the case of the death of a member of the employee's immediate family as defined in Section 15.03(a) and in such

case, the time to be paid for may be any five (5) consecutive working days from the day of death through the second day after the funeral, inclusive.

- (c) Payment will be made for up to three (3) days' absence in the case of the death of a member of the employee's immediate family as defined in Section 15.03(b) and in such case, the time to be paid for may be any three (3) consecutive working days from the day of death through the day after the funeral, inclusive.
- (d) When requested by the Company, the employee will furnish satisfactory proof of death of the member of his/her immediate family.
- (e) At the discretion of the Company, the bereavement days may be granted on non-consecutive days in order to meet unusual circumstances in particular cases. Such discretion will not be exercised in an unreasonable manner.

15.05 An employee will not be eligible to receive payments under this Agreement for any period in which he/she is receiving other payments in the form of vacation pay, specified holiday pay, disability benefit, or WSIB (Workplace Safety Insurance Board).

SECTION 16

TECHNOLOGICAL CHANGE

16.01 Both parties recognize the importance of lessening as much as reasonably possible the effects of technological change upon the job security and the earnings of an employee who may be displaced from his job as a result of such change.

In order to reduce the impact of displacement from a job due to technological change, an eligible employee will be entitled to assistance in accordance with the following provisions.

Definition

16.02 Technological change shall mean:

- (a) The automation of equipment, or
- (b) The introduction of new equipment, or
- (c) The replacement of existing equipment with new equipment, or
- (d) The mechanization or automation of duties, or
- (e) The replacement of an existing facility with a new facility, which produces the same or similar product,

which directly results in the permanent displacement of an employee from a job. The subsequent permanent displacement of junior service employees by an employee directly displaced from a job in accordance with the above shall also be considered to be a direct displacement due to a technological change.

The displacement of an employee from a job as a result of depressed business conditions, relocation or reassignment of equipment which is not the direct result of a technological change in such equipment, resource depletion or product obsolescence or market shift which is not the cause of the result of a technological change, fault of the employee, or layoffs caused by any strike, slowdown, lockout, sabotage, Act of God, or breakdown, shall not be considered to be a technological change.

Eligibility

16.03 An employee, in order to be eligible for a Maintenance of Earnings Benefit must:

- (a) Have eighteen (18) or more months of service and
- (b)
 - (i) Be permanently displaced from a job to which he has been permanently appointed or permanently assigned, as a direct result of a technological change, or
 - (ii) Be permanently displaced from his job as a direct result of the elimination or amalgamation of such job, or
 - (iii) Be permanently displaced from a job as a result of a permanent closure of an existing facility, and
- (c) Have been assigned to the division in which such technological change displacement has occurred, for the three (3) month period immediately preceding such displacement, and
- (d) Remain in the employment of the Company during the benefit period, and
- (e) Accept the job with the highest rate of pay to which he is entitled and qualified to receive under the terms of the Basic Agreement during the benefit period and continue to accept assignment to any job with a higher rate of pay during the term of the benefit period.

Maintenance of Earnings Benefit

16.04 For each pay period during the Benefit Period to which an employee is entitled as provided in 16.05, an eligible employee will be paid a Maintenance of Earnings Benefit, calculated as follows:

- (1) A Maintenance of Earnings Benefit differential will be calculated which represents the difference between the Gross Hourly Rate of the job from which the employee was displaced as specified in 16.03 (b) and the Gross Hourly Rate of the job to which the employee is permanently assigned at the time of the displacement.
- (2) The Maintenance of Earnings Benefit differential will be applicable for each hour worked on a job during the pay period which carries a job class equal to or lower than the Gross Hourly Rate of the job to which the employee is permanently assigned as

specified in (1) above.

- (3) In the event that an employee works on a job during the pay period which carries a higher Gross Hourly Rate than the Gross Hourly Rate of the job to which he is permanently assigned as specified in (1) above, the differential will be reduced by the difference between the Gross Hourly Rate of the job to which he is permanently assigned and any higher Gross Hourly Rate of a job on which the employee works in the pay period.
- (4) The Maintenance of Earnings Benefit will represent the total of the earnings calculated in accordance with (2) and (3) above plus the balance of the employee's actual earnings during the pay period.
- (5) The Gross Hourly Rate of the jobs specified in (1), (2) and (3) above shall include in addition to the applicable Standard Hourly Rate, any other hourly supplementary payments applicable for hours worked on such jobs.

Duration

- 16.05
- (i) An eligible employee will be entitled to have his earnings maintained in accordance with 16.04 for the greater of fifty-two (52) pay periods or four (4) pay periods for each year of Company service not to exceed one hundred and four (104) pay periods.
 - (ii) An eligible employee who exhausts the one hundred and four (104) pay periods will further be entitled to have his earnings maintained for an additional twenty-six (26) pay periods at fifty (50) percent of his applicable Maintenance of Earnings Benefit.
 - (iii) The period of time during which an employee will be eligible to receive a Maintenance of Earnings Benefit will commence at the beginning of the pay period immediately following the pay period in which the employee became eligible and shall continue for each subsequent consecutive pay periods thereafter for the appropriate number of pay periods to which the employee is entitled as provided above.
 - (iv) Any pay period, during the whole of which an employee is absent from work solely due to sickness or injury (as evidenced by a Doctor's certificate as required by the Company) and is not entitled to any payment from the Company during such pay period, shall, subject to the provisions of part (vi) below, not be counted and the benefit period shall continue for the remainder of its unexpired term commencing with the pay period in which the employee returns to work or would have returned to work following such sickness or injury, provided further that such employee remains in the employment of the Company. The day's pay to which an employee is entitled under the provisions of Clause 11.01 will not be considered as a payment of the Company for purposes of this paragraph.
 - (v) Any pay period during which, either in whole or in part, an employee is absent from work for any reason other than sickness or injury, shall be considered as a part of the consecutive period of time.

- (vi) Any period during which an employee is absent from work due to sickness or injury shall be considered as a part of the consecutive period of time, where such employee had been absent from work for the entire twelve (12) months immediately preceding the time that he would have been displaced from the job as specified in 16.03 (b).
- (vii) An employee who is eligible to receive a Maintenance of Earnings Benefit in accordance with the Eligibility provisions as defined herein shall remain eligible for such benefit from the time of his displacement until the expiration of the Benefit Period provided such employee continues to comply with the Eligibility provisions.

Should such employee, as a result of illness or injury (as evidenced by a doctor's certificate as so requested by the Company) be unable to maintain the Gross Hourly Rate of the job from which was originally displaced at any time during his Benefit Period, such employee will receive a Maintenance of Earnings Benefit differential in accordance with the Eligibility provisions for the balance of his Benefit Period.

- 16.06 Payments made by the Company for Maintenance of Earnings Benefits shall be deducted by the Company from the funds in the Technological Change Account. No Benefits will be paid for any pay period in which the Company determines that the funds available in the Technological Change Account are insufficient to pay Benefits in that pay period.

Training

- 16.07 If an eligible employee requires training or retraining, the Company will offer such training or retraining under the provisions of the "Employee Training Program" on a job in his division which would potentially provide as closely as possible the job classification level which he held before his displacement.

If the eligible employee requires training and requests same on a job other than the job designated by the Company, and such requested job would potentially provide as closely as possible the job classification level of the job designated by the Company, he may apply for such training under the provisions of the "Employee Training Program".

In the event that the Company determines that the eligible employee requires training and a training opportunity as specified above does not exist within his division, the Company will, subject to operating requirements and the availability of training opportunities, retrain him for a job in another division which would potentially provide the job classification level which he held prior to his displacement. If the employee accepts such training in another division, he will be entitled to exercise his service record for the purposes of applying for a permanent vacancy on such job. If he is appointed to the job in the new division, he will be transferred by the Company in accordance with the provisions of Clause 7.13 (b) of the Basic Agreement. Any such training shall be carried out in accordance with the provisions of the "Employee Training Program".

An employee displaced from a job in accordance with 16.03(b) above will be given preferential consideration for a vacancy in a Trade or Craft Apprenticeship or Assigned Maintenance Training Program, provided that the employee has the prerequisite qualifications as established by the Company.

For the purposes of this Clause 16.07, the provisions of the "Employee Training Program" relating to rates of pay for such training shall not apply during the period that an employee is entitled to a benefit under Clause 16.05 hereto.

- 16.08 (a) The Company will notify the Union in writing as soon as possible in advance of any technological change which may cause a displacement of employees from their jobs.
- (b) There will be a Union Technological Change Committee not to exceed four (4) employees, one (1) of whom will be the Union President/Unit Chair or his delegate, the other three (3) employees as selected by the Union. The Company Committee will consist of the Plant Manager and the Human Resources Manager or their delegates and two (2) other Company representatives.
- (c) Meetings between the two (2) Committees will be convened once every three (3) months at a mutually convenient date and time and more frequently on urgent matters as the case may be requested by either party. Time spent at such meetings by employees on such Union Committee will be paid at their average hourly rate during the preceding pay period.
- (d) The purpose of such meetings will be to review any technological change and matters which may arise out of such Technological Change as it applies to employees. In advance of such meeting, the parties will establish an agenda of matters to be discussed.
- (e) The Company will provide, as soon as practicable, the estimated time frame for the implementation of any technological change and will advise as to the number of employees potentially affected. Such estimates will be refined by the Company from time to time in subsequent meetings.
- (f) The Company will each year furnish the Union with a statement showing the net worth of the Technological Change Account and the amounts paid from the account during the preceding year.
- 16.09 In the event any major technological change which will affect a substantial number of employees is introduced during the terms of this agreement, the Company will meet with the Union six (6) months in advance of such implementation so as to review the application of the Technological Change Program with respect to the affected employees.

To this end, it is proposed that a committee be established when required so as to ensure an equitable administration of the Technological Change Program under such circumstances. It is acknowledged that such committee will have the authority to amend by mutual agreement of the committee, where appropriate, the eligibility provisions of 16.03 and specifically 16.03(b). In this regard, the committee will consider the eligibility of employees who have been regularly performing jobs which are eliminated due to a technological change but who are not permanent incumbents of such jobs. For this purpose, an employee who had worked on such job(s) for at least one thousand and forty (1040) hours during the year immediately preceding such elimination, will be considered for an appropriate maintenance of benefit.

SECTION 17

TERMINATION

17.01 This agreement shall be in effect until July 31, 2016, and shall thereafter continue for a further period of one (1) year unless during the one hundred and ten (110) day period immediately preceding the expiration date, either party shall give written notice to the other that it desires revision or termination of this agreement at its expiration date. Where notice of revision is given, negotiations shall commence during the ninety (90) day period immediately preceding the expiration date.

Signed this 25th of October 2012,

FOR:

For the Company

S. Cabral
J. Deeley
M. Ogus
A. Lindholm
D. Robert

FOR:

United Steelworkers
Local 5328

D. Green
T. Willock
J. Butler
M. Caruso
S. Morris
F. Arcuri
A. McKinnon

STANDARD HOURLY WAGE SCALE

Job Class	Appendix "B" August 1/12
1	\$22.592
2	\$22.877
3	\$23.162
4	\$23.447
5	\$23.732
6	\$24.017
7	\$24.302
8	\$24.587
9	\$24.872
10	\$25.157
11	\$25.442
12	\$25.727
13	\$26.012
14	\$26.297
15	\$26.582
16	\$26.867
17	\$27.152
18	\$27.437
19	\$27.722
20	\$28.007
21	\$28.292
22	\$28.577

APPENDIX F

**APPENDIX "F"
SCHEDULE OF APPRENTICE TRAINING**

TRADE JOB CLASS	1040 HOUR PERIODS													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	JOB CLASSES													
20	1	2	3	4	5	6	7	8	10	12	16	18	20	
19	1	2	3	4	5	6	7	9	11	15	17	19		
18	1	2	3	4	5	6	8	10	14	16	18			
17	1	2	3	4	5	7	9	13	15	17				
16	1	2	3	4	6	8	12	14	16					
15	1	2	3	5	7	11	13	15						
14	1	2	4	6	10	12	14							
13	1	2	5	9	11	13								
	Apprentice			Improver			Trade							

APPENDIX "G"

NO	JOB	NEW CLASS	EQUIVALENT JOB CLASS
1	Labour	1	2
2	Helper	2	7
3	Driver	3	10
4	Operator Straighten & Cut	3	10
5	Wire Drawer	4	11
6	Die Finisher	4	11
7	Rod & Bar Handler	5	12
8	Prestress Operator	5	12
9	Processor	5	12
10	Operator Bell Furnace	5	12
11	Observer, Tester, Inspector	5	12
12	Operator Strand Temper Unit	5	12
13	Operator Pusher Furnace	5B	14
14	Mechanical Technician	6	19
15	Electrical Technician	7	20

APPENDIX H

STEWARDS

<u>Divisions</u>	<u>Chief Stewards</u>	<u>Stewards</u>
Operating Division	3	11
Service Division	1	3
TOTAL	4	14

ITEM 1

LOA: SENIOR LEVEL COMMITTEE

In recognition of the desirability of improving communications between the Union and the Company to facilitate solutions of mutual problems which may arise during the term of the agreement, the parties agree to the establishment of a Joint Senior Committee.

The Committee will consist of two (2) representatives of the Company and two (2) representatives of the Union.

The Committee will meet quarterly, or more frequently on urgent matters, at a mutually convenient time and date. The purpose of such meetings will be to discuss general matters of mutual concern arising out of the Basic Agreement and its supplements.

Time spent by the two (2) Union representatives during Senior Committee meetings, and in related activities expressly approved by the Company, will be considered to be time worked and will be paid by the Company.

Nothing herein shall be construed to replace, limit, or interfere with either the Company's or the Union's existing rights under the terms of the Basic Agreement or its ancillary documents.

ITEM 2

LOA: SINGLE TURN OPERATIONS

The Company hereby agrees that the working hours presently in effect for single turn operations will remain in effect until the Company finds it necessary to make a change, in which case the Company will discuss with the Union any such change.

ITEM 3

THE ASSIGNMENT OF DISABLED EMPLOYEES

It is agreed that the objective of the program is to provide meaningful work to assist in the rehabilitation of Hamilton East employees, who are considered to be temporarily or permanently medically disabled as the result of an occupational or non-occupational injury/illness.

The Company and Union agree that this program is not structured to facilitate the placement of employees at the time of initial injury. The Company and Union agree that the program is to facilitate disabled employees after maximal medical recovery has been made and the physical and psychological restrictions have been identified by the medical profession or if a return to work is recommended by a medical professional.

The goal of the parties is to assist in the employee's active recovery to encourage return to work:

- (a) To pre-accident job - no restrictions
- (b) Alternate work within his/her functional abilities on a temporary basis before returning to their regular duties,
- (c) Permanent assignment to alternate suitable and meaningful work within his/her functional abilities.

In meeting these goals, it is responsibility of the employee to co-operate, maintain contact and participate in an early return to work.

The Medical Department shall supply all disabled employees with a "Functional Abilities" form which must be completed and returned in a timely fashion.

1. Administration of Program

A committee, known as the "Return to Work Committee", will meet bi-monthly, or more often if required, and will be comprised of the following:

- 1. A Medical Department representative, where appropriate,
- 2. A Union WSIB representative, or delegate,
- 3. The Union President/Unit Chair or delegate,
- 4. A Supervisory representative,
- 5. Injured Worker,
- 6. Human Resources Representation

All hours spent by the Union representatives on the Committee will be paid by the Company at the appropriate rate.

2. Function of the Return to Work Committee

- (a) The Committee will review each program participant on the basis of available medical evidence to determine which category of participation is most appropriate for the rehabilitation of the employee involved.
- (b) The Committee will hold an interview with the program participant so as to ensure that there is a clear understanding of the conditions of participation. In the absence of a committee meeting, the division head shall advise the Chief Steward of the return to work of the disabled employee.
- (c) The Committee will participate in all follow-up reviews with the program participant for the following purposes:
 - (i) Reviewing the participant's prognosis for return to regular work, with or without restrictions, and;
 - (ii) Reviewing the necessity for extended participation in the program.

- (d) Any disputes or disagreements arising from participation in any and all part of this program are to be referred to the committee for initial review.

3. Conditions of Program

- (a) During the placement the employee's work status remains "off work and receipt of benefits".
- (b) The employee must punch in or out.
- (c) The employee's work time and applicable job class(es) will be recorded and submitted to Payroll by way of normal booking procedures.
- (d) Overtime is permitted on the employee's assigned job.
- (e) Time spent at work while on this program will be considered in determining vacation pay entitlement.
- (f) A commencement date and duration of said program would be determined by mutual agreement.
- (f) At any time during this program the employee feels able to return to full regular duties, he may do so provided that he receives medical clearance. In such instance, the Committee will be informed.
- (g) Depending on the length of absence and/or the nature of work to be performed, the employee may be provided a reasonable period of "re-introduction" on a day shift basis.
- (h) Following the agreed upon "re-introduction" period, if appropriate, the employee will resume the full scope of regular duties on a regular shift pattern.
- (j) All the conditions set forth under this program will be fully explained to the employee during the initial meeting with the "Return to Work Committee" with emphasis placed on the employee's self-monitoring role during this assessment period.
- (k) The disabled employee must have medical documentation as required outlining his disability.
- (l) The Company and Union agree that the program is to facilitate disabled employees recognizing that maximal medical recovery may not yet be achieved. Therefore, nothing herein shall preclude the Company from continuing to provide short-term modified duty assignments to injured employees.

4. The Company and Union agree that the initial objective of the Return to Work Committee will be to assign disabled workers to their own division. Specifically, described and classified work in the employee's home division and throughout the Plant shall be assigned where the

employee's medical restrictions permit.

5. The Company and Union agree that the disabled employees who enter this program shall:
- (a) Retain full recall to his division where seniority would take him had the injury/illness not taken place and shall remain on the division seniority list.
 - (b) Be deemed applicants to 7.10 vacancies in accordance with the provisions of the Basic Agreement while a participant in the program.
 - (c) Be allowed to work in all divisions of the Hamilton East facility subject to his established medical restrictions.
 - (d) Not cause an increase to the workforce, except with the express consent of the Company.
 - (e) In the event of a decrease in the workforce, all provisions of Section 7 of the Basic Agreement shall apply to disabled employees temporarily assigned under the rehabilitation program. Therefore, junior employees participating in the program will be laid off in order of service. However, it is understood that in the event of a reduction in operations, employees who are not program participants may not displace program participants assigned to non-posted work initiatives.
 - (f) In the event of a lay off, the Company and Union agree to assist the disabled employee as much as possible in dealings with the Worker's Safety Insurance Board and any other such agencies where required.
 - (g) Disabled employees participating in the temporary assignment to non-posted jobs under this program shall be paid at the rate of pay of their pre-accident occupation.
 - (h) Not displace any occupations.

ITEM 4

LOA: TEMPORARY TRANSFERS

In applying the provisions of 7.13, the Company will continue to consider seniority and earnings of employees and the Union will not unreasonably withhold agreement to transfers which may exceed the limitations provided in 7.13.

ITEM 5

LETTER OF AGREEMENT RE: TAG MACHINE OPERATOR

Effective August 1, 1981, the Company and the Union agreed to establish a job description and classification for the job of Tag Machine Operator at Job Class Three (3).

The Company and the Union further agreed that disabled employees, hourly and salary shall be given preferential consideration for future vacancies on this job. The Company will review with the Union all candidates for future vacancies before an appointment is made.

ITEM 6

LOA: INTERPRETATION OF CLAUSE 5.04

Clause 5.04 shall be interpreted, when Clause 5.08 is applicable, to provide that an employee will not cease work until relieved on his job except that in the event such employee has already completed eight (8) hours of scheduled overtime, he will not be compelled to work more than two (2) hours additional overtime.

Clause 5.04 shall be interpreted, when Clause 5.09 is applicable, to provide that an employee will not cease work until relieved on his job except that such employee will not be compelled to work more than two (2) hours beyond his quitting time of any scheduled shift.

ITEM 7

DELETED (Formerly INCOME SHARING PLAN)

In accordance with the Memorandum of Settlement, the Company and the Union shall negotiate a new plan by February 28, 2013 which shall be effective January 1, 2013.

ITEM 8

LOA: PERMANENT LAYOFF AND CLOSURE OF A DIVISION

1. General Intent

The overriding goal of the Company and the Union is to avoid the necessity of layoffs at the Hamilton East facility. To that end the Company and the Union have agreed to review and implement changes in work organization that will enhance the efficiency and productivity of the existing workforce and to a comprehensive program to review and reduce contracting out by the Company of work that can be performed by the bargaining unit workforce.

2. Notice of Permanent Layoffs or Closure of a Division

Where the Company intends to lay off permanently ten (10) or more employees or to close an

existing division, the Company shall give notice of its intention as soon as practicable.

The notice shall specify the operation or facilities involved, the nature of the work affected, the employees affected, and the reasons for the Company's decision.

3. Adjustment Committee Structure

A Committee shall be established and responsible for consideration of alternatives to the intended permanent layoff or division closure, planning and execution of assistance to the employees affected by the layoff or shutdown, obtaining such financial assistance as available from government programs and other sources to support the adjustment program, counselling employees affected by the layoff or shutdown, determining training programs and individual training assignments that would be eligible for funding.

The Committee shall consist of four (4) members, two (2) from the Company and two (2) from the Union. It is understood that additional members may be added to the Committee depending on the circumstances associated with the particular shutdown or closure as mutually agreed to by the parties.

The Company shall provide to the Committee such information as the Committee may require to complete its work including:

- (i) Information as to alternatives considered by the Company's decision and the Company's reasons for rejecting such alternatives, and
- (ii) Information regarding the employees affected such as age, service, pension status, etc.

The Company shall pay for the time for work performed by the Union members of the Adjustment Committee to a maximum of forty-eight (48) hours in a calendar month for each member of such Committee unless extended by mutual agreement.

4. Rights of Employees under Notice of Layoff as a Result of Facility Shutdown or Closure

When an employee has received notice of layoff, such employee shall be afforded time off the job for the purpose of attending job interviews subject to the needs of the particular operation up to a maximum of sixteen (16) hours per month. The Company shall pay such employee for one-half (1/2) of such time at the employee's average hourly rate in the preceding pay period.

Division supervision shall discuss with any such employee ways to accommodate the time required by an employee to attend any training program or course during his period of notice of layoff.

Time off in accordance with the above shall be considered credited service for pension purposes.

Nothing herein precludes an employee from requesting a leave of absence in accordance with Clause 14.01 of the Basic Agreement.

5. Funding of Adjustment Programs

The Adjustment Committee shall explore the various levels of government for funding where applicable, consider and recommend possible Company contributions as may be required to attract the maximum available public funding.

6. Early Retirement

Where it has been determined that there is no alternative but to reduce the bargaining unit, the Company shall consider incentives for employees eligible to retire in an effort to reduce or eliminate the required layoff. Incentives may include:

- a) Enhanced basic or bridge benefits
- b) Enhanced pre-retirement vacation benefits
- c) Unreduced early retirement
- d) Unreduced early retirement at age fifty five (55) with age and service totalling seventy (70) or more and at any age with age and service totalling eighty (80) or more.

7. Severance

An employee who has been laid off for a period of thirty-five (35) weeks in any period of fifty-two (52) consecutive weeks and who is not entitled to recall pursuant to clause 7.11 of the Basic Agreement shall be entitled to severance pay.

The Company shall add to the amount payable in accordance with the applicable legislation sufficient monies to ensure that such employee receives the equivalent of two (2) normal non-overtime weeks for each year of service to a maximum of fifty-two (52) weeks.

8. Deferred Pension

Any employee who is permanently laid off from the Company and whose recall rights have expired or been waived and whose age and seniority total fifty-five (55) or more at the date of layoff shall be entitled to a deferred pension beginning at the earliest date that he or she would have been eligible to retire had he continued to work for the Company. Where such employee has ten (10) or more years of seniority, such deferred pension shall include any applicable bridging benefits.

9. Recall

The Company and the Union have agreed to an extension of recall rights to provide that employees shall have the right to recall equal to two (2) times their seniority to a maximum of six (6) years. Former employees with the right to recall would have the right to turn down recall to a temporary job.

Recall rights shall be terminated automatically when an employee elects to receive severance pay.

10. Preferential Hiring

Employees laid off by the Company shall have preferential hiring rights for a period of time equal to their recall rights.

ITEM 9

LOA: CONTRACTING OUT

The parties recognize the seriousness of the problems associated with Contracting Out of work both inside and outside, and have accordingly agreed as follows:

The following provisions shall be applicable to all Contracting Out issues subject to, and arising on or after the effective date of this Agreement.

The Company and the Union agree to establish a Contracting-Out Committee which will meet quarterly, or more often if required, to discuss issues of mutual concern relative to contract work. This Committee will consist of the Union Contracting-Out Committee Chairman or delegate, the Manager - Operations or delegate, the Master Mechanic or delegate, the General Supervisor Engineering or delegate, and equal representation from the Company and the Union to a maximum of six (6) members.

The purpose of these meetings will be to discuss and review the utilization of contract work with a view to ensuring that any change beyond current and/or traditional contract work for the existing facilities in the plant is reviewed by the Committee. Time spent by the Union Contracting-Out Committee in the performance of the functions set out in this item will be deemed to be timed worked and will be paid in accordance with the provisions of the Basic Agreement.

In the event that the Company intends to let a new contract for production, service, any maintenance or repair work, any installation, replacement and reconstruction of equipment and productive facilities, the Master Mechanic or his delegate will advise, using a notification form, the Chairman of the Union Contracting Out Committee sixty (60) days or more in advance of the awarding of any such contract and, if so requested, convene a meeting of the Contracting Out Committee. The purpose of such meeting will be to discuss and review with the Union Contracting-Out Committee the particulars of the contracting out situation as follows:

1. Location of the contract work.
2. Type of contract work.
3. Estimated duration of work.
4. Trades or occupations to be involved.
5. Anticipated utilization of Bargaining Unit forces either in conjunction with or peripheral to the contract work to be performed.
6. The Company's reasons for contracting the work, including but not limited to such considerations as:
 - (a) Effect on operations if construction or maintenance work is not completed on time;
 - (b) Economic and financial rationale;
 - (c) Minimizing potential fluctuations in the levels of the bargaining unit work force;
 - (d) The building of and start-up of a new production facility or operation.

The Union Committee may make recommendations with respect to the above matters and any such suggestions will be considered by the Company. Following such consideration, the Company will review its decision regarding the awarding of the contract with the Chairman of the Union Committee.

In addition to the above, the Chairman of the Union Contracting-Out Committee may, at any time, discuss as necessary with the Manager - Operations questions relative to contract work for the purpose of clarification.

In the event that an employee is laid off work in accordance with the provisions of the Basic Agreement, the Company will not contract out, subsequent to his layoff, and during his period of entitlement to recall, the work that such former employee previously performed, is qualified to perform or can be trained in a reasonable period of time to perform.

The parties' primary objective shall be to minimize contract work through the use of the bargaining unit workforce.

None of the provisions of this Item commit the Company to any capital expenditure other than as it deems necessary (i.e. Buildings, machinery, mobile equipment).

In instances where the consistent practice has been to have work performed by contractors, the Committee may review the situations and recommend change.

Cost considerations will be a factor in reviewing contracting out.

ITEM 10

LOA: COST-OF-LIVING ALLOWANCE

1. Effective with the first pay period following the release of the Consumer Price Index (1971 = 100 Base) for October, 2015, when compared to the Consumer Price Index (1971 = 100 Base) for July, 2015, for each thirty (30) cent increase, a cost-of-living allowance of one (1) cent per hour will be paid.
2. Effective with the first pay period following the release of the Consumer Price Index (1971 = 100 Base) for each of the following months, when compared to the Consumer Price Index (1971 = 100 Base) for the respective months as shown below, for each thirty (30) cent increase, a cost-of-living allowance of one (1) cent per hour will be paid:
 - (i) October, 2015 compared to July, 2015
 - (ii) January, 2016 compared to October, 2015
 - (iii) April, 2016 compared to January, 2016
3. Any increase in the cost-of-living allowance payable, as calculated above will be added to any cost-of-living allowance payable in the previous quarter. Any such allowance will be paid for straight time hours worked only and will not be paid for overtime hours, premiums or used as a

basis for calculation of overtime.

4. Cost-of-living allowance payments made to an employee shall not be included for purposes of calculating an employee's vacation and statutory holiday pay entitlement. Hours not worked even though compensated in accordance with a specific provision of this Agreement and deemed to be hours worked for other purposes shall not be considered to be hours worked for the purpose of this provision. Cost-of-living allowance calculations will be made quarterly, in the middle of the month immediately following completion of each calendar quarter.
5. It is the objective of the parties to roll cost-of-living allowance soft floats into the Base Rate subject to the financial performance of the Hamilton East facility during the life of the contract. Roll-ins shall be tied to performance as measured by the Basic Agreement Income Sharing Plan (I.S.P.) as identified in New Item Letter of Agreement Re: Income Sharing Plan for Bargaining Unit Employees.

In any quarter in which I.S.P. is paid to Hamilton East, the year to date cost of rolling in the amount of the soft float will be deducted from the year to date I.S.P. earned payment and the soft float will be rolled into the base rate.

If the cost of rolling in the soft float in any quarter exceeds the I.S.P. for that quarter, the soft float will be rolled in only to the extent that the year to date cost of the roll-in can be met by the year to date I.S.P. payment. The remainder shall continue to be paid as a soft float.

Soft float shall be defined as year to date cost-of-living allowance payments not rolled into the Base Rate and paid for all hours worked. It shall not include hours paid but not worked and it is not included in overtime premium pay calculations.

Roll-in shall be defined as cost-of-living allowance payments added to base rates.

6. The current COLA of 1.39 will continue to be paid as COLA for the term of the agreement. The \$1.39 plus any soft float accumulated as per 1. and 2. Above will be rolled into the base rate on July 31, 2016.
7. The continuance of the cost-of-living allowance shall be contingent upon the availability of the relevant monthly Statistics Canada Consumer Price Index in its present form and calculated on the same basis as the Index for August 1, 1993 (1971 = 100 Base). No adjustment retroactive or otherwise shall be made in the Index by Statistics Canada during the term of this Agreement.
8. Any decrease in the cost-of-living allowance calculated from comparisons of the Consumer Price Indices in any of the quarterly periods specified in paragraph 2 shall reduce the next accumulated cost-of-living allowance, payable under paragraph 3 above, effective at the times specified in paragraph 2.

ITEM 11

LOA: EMPLOYEE TRAINING PROGRAM

The Company has always recognized the importance of providing training opportunities for employees so that they could improve their skills and advance to jobs of greater responsibility and higher pay.

Now, because of changing conditions, and in particular, changing technology, new approaches to and expansion of employee training are required. The Company has, therefore, agreed with the Union to expand and enlarge its efforts to provide training opportunities for employees so that they can equip themselves for advancement.

It is mutually recognized that there are many complicated practical problems involved and enlargement of training opportunities must, therefore, be approached on an experimental basis and on the understanding that certain procedures or methods may not work satisfactorily and might have to be changed from time to time, and others tried.

On this basis the Company has agreed with the Union to expand the scope of opportunities for training, and the parties agree to co-operate to this end as follows:

Apprenticeship

If practical and subject to operational requirements, the training of journeymen through apprenticeship will be increased by enrolling additional apprentices in existing Apprentice Programmes.

Trade or Craft

The existing procedure is that trade or craft employees, other than graduates from the Apprentice Programmes, are required to take trade tests in all cases before being upgraded. It is agreed that henceforth the qualifications required for upgrading toward a higher rate will be determined by supervisory assessment. If supervision determines that the employee does not have the necessary qualifications for advancement, the results of the determination will be discussed with the employee and suggestions as to how qualifications might be improved will be made, and ways and means of carrying out such suggestions will be explored with the employee.

If the employee does not agree with the determination made, he may request and shall receive a trade test.

Other Occupations

The Company will explore the possibilities of improving training opportunities for assigned maintenance, service groups and other occupations not specifically referred to in this programme.

Trainee Requirements

An employee who receives training on production or other occupations will be required to:

- (a) Complete the prescribed number of learner periods.
- (b) Apply for any posted job vacancy in the job for which he has been successfully trained.

Technological Change

Both parties recognize the importance of lessening as much as reasonably possible the effects of technological change upon the job security and the earnings of employees older in service who may be displaced from their jobs as a result of such change. If any such employee incurs any substantial loss of earnings because of lack of training, the Company will give special consideration to retraining him with a view to attaining as closely as possible the job classification level which he held before displacement.

Outside Educational Courses - Tuition Reimbursement Programme

The Company proposes to increase its promotion of this programme whereby employees are encouraged to improve their vocational development in the Company through educational courses. Where the employee attends such a course with the advance approval by the Company, he will be reimbursed the full amount of the regular tuition fees and materials, books and testing upon evidence that he has satisfactorily completed the course. Where the Company instructs the employee to take a course as part of his job duties, all expenses will be paid by the Company.

Extension courses offered by accredited universities, high schools, technical training centres, and professional associations are eligible. To be approved by the Company, the course must be of a type that can reasonably be expected to improve the performance and development of employees in relation to their careers in the Company but is not required to be wholly vocational.

Governmental Training Assistance & Educational Programmes

The Company will explore the feasibility of providing programmes of instruction to facilitate any required upgrading of basic educational qualifications. Various levels of government have in recent years increasingly concerned themselves with industrial training. The Company commits itself to investigating the various training facilities of the Ontario and Federal Departments of Governments and utilize such facilities and services to the extent that it is practicable. In addition, the Company will continue to explore the feasibility of making additional programmes of instruction available to employees in order to upgrade of basic educational or trade qualifications.

In view of the experimental nature of this programme, it is understood it does not constitute part of the Basic Agreement. While differences of opinion and mutual problems will be discussed by the Company with the representatives of the Union from time to time, at the request of either party, it is agreed that nothing herein shall be subject to the Grievance Procedure nor shall it be arbitrable.

The Company commits itself in good faith to endeavour to solve the many complex problems of training. While this programme is to be regarded as experimental and thus subject to change as the result of experience, it is understood that such portions as may be found to be practicable and mutually acceptable will be incorporated in the next and subsequent Basic Agreements.

Company Posted Training Opportunities

1. When the Company deems the need for training on a job, an opportunity to train for such job vacancy will be posted and filled considering a) service b) physical fitness. Where factors a) and b) are relatively equal, factor a) shall govern.

2. If there are no applicants to the "Training Vacancy", nothing herein shall preclude the Company from assigning the junior employee in the division who is occupying a lower job class to the training vacancy after canvassing junior employees and discussing the circumstances with the Union.
3. If the Company trains an employee for other than a permanent job vacancy, nothing herein shall preclude his right to return to his former job upon completion of his training period.
4. Employees shall not be considered for training vacancies more than once (1) per year unless agreed to between the parties.
5. An employee appointed to a training vacancy will be required to complete the training on the essential duties of the job.
6. An employee appointed to a training vacancy will be required to apply for any vacation relief vacancy or permanent vacancy in the job description(s) for which he has been trained for a period of twenty-four (24) months from the commencement of training.

ITEM 12

LOA: TEMPORARY TRANSFERS

The Company will not require an employee to return to his original job for one (1) shift solely to circumvent the time provisions of Clause 7.13.

ITEM 13

LOA: WIRE MILL CREWING

In the event of urgent operational requirements, the Company may temporarily change the composition of job assignments upon discussion between the Division Head and Chief Steward.

In establishing job assignments, the Company will give full consideration to the practical size of the work area on each job assignment and will avoid, where possible, assigning machines to an operator outside of a contiguous line of machines.

The Company will provide the Union with lists of job assignments for wire drawing and nail machine jobs. These crewing of job assignments will be in accordance with the Basic Agreement and this letter. The Company will give the Union as much notice as possible of any changes or additions to the listed job assignments.

ITEM 14

LOA: EMPLOYEE'S SERVICE FOR RECALL PURPOSES

The following example confirms the understanding between the Company and the Union with regard to the interpretation of service for recall purposes:

The issue is best demonstrated by the following examples:

Employee A - Company Start Date – January 1, 1977

Employee B - Company Start Date - April 1, 1977

On January 1, 1980, A and B were laid off indefinitely. "A" was recalled to work on July 1, 1981 and was laid off July 31, 1981.

In accordance with the terms of the Basic Agreement, "A" was given credit for the first twelve (12) months of his layoff. The result was an adjusted Company Start Date for "A" of July 1, 1977 (i.e. he received no credit for the layoff from January 1 to June 30, 1981).

On November 1, 1981, there was an increase in operations which required the recall of one employee either "A" or "B".

"A" – Adjusted Company Start Date – July 1, 1977

"B" – Company Start Date – April 1, 1977

It is clear from this example that "A" would suffer a real inequity if his adjusted company start date were compared directly to "Ebb's company start date. Such a comparison would reverse the relative seniority position of the two employees.

The key consideration in such a comparison must be the amount of accumulated service rather than a relative start date which does not necessarily reflect an employee's service for "recall purposes".

In determining a laid off employee's service for recall purposes, the comparison should be the amount of service between the employee's (adjusted) company start date and his last date of layoff.

Service for Recall Purposes

Employee A: July 1, 1977 to July 13, 1981 = 49 months

Employee B: April 1, 1977 to January 1, 1980 = 33 months

It is clear from the above calculations that "A" continues to have more service and is the employee who should be recalled.

ITEM 15

LOA: TOOL ALLOWANCE

The Company will determine and supply those tools required by an apprentice enrolled in a Trade or

Craft apprenticeship course and an employee receiving training under an Assigned Maintenance Training Programme, where the total cost of such tools equals or exceeds one hundred and fifty dollars (\$150).

An individual whose employment is terminated prior to or within three (3) years following the successful completion of his apprenticeship course or training programme will be required to reimburse the Company fifty percent (50%) of the cost of such tools.

The Company will also pay fifty percent (50%) of the cost of a required tool which is broken in the performance of normal duties by a Trade and Craft or Assigned Maintenance employee where the total cost of the tools required by such employee equals or exceeds two hundred (\$200) and where the cost of the broken tool exceeds ten dollars (\$10) up to a total annual cost of one hundred and fifty dollars (\$150). The broken tool must be submitted at the time the employee obtains a replacement tool.

Where, in accordance with the above provisions, the Company requires an employee to purchase metric tools, the Company agrees to subsidize the cost of such tools less any government rebate to which the employee may be entitled.

The Company will determine, select, order, and make available as it considers necessary, such tools for purchase by Trade and Craft and Assigned Maintenance employees.

ITEM 16

LOA: PERSONS HIRED FOR VACATION RELIEF

Notwithstanding the provisions of Section 7 of the Basic Agreement, persons hired for summer relief will not acquire service and may be terminated by the Company at any time. It is agreed that the termination of a person hired for vacation relief will not be subject to the grievance and arbitration procedures.

In addition, persons hired as summer relief will not be eligible to participate in the Group Insurance Program.

In the event that a former employee with recall rights is hired as vacation relief, it shall be understood that his hiring is not the result of a permanent vacancy under clause 7.10, and therefore he will not be considered to have been recalled under the provisions of Section 7. Such former employee will be eligible to participate in the Group Insurance Plan, notwithstanding the other provisions of this Letter, as of his hiring date under this Letter. In the event that he is subsequently recalled and rehired under clause 7.11, his service shall include service during any period of employment as vacation relief.

Notwithstanding the terms of this Item, where former employees with recall rights to other plants are hired as vacation relief, it will be the policy of the Company that they are eligible to participate in the Group Insurance Program as of their hiring date as vacation relief.

In the event that a vacation relief employee is hired under the terms of clause 7.02 in the same year,

such employee shall accumulate continuous service from the date of hiring as a vacation relief employee in that calendar year, less any periods of layoff. Note: Continuous service will only be recognized once the employee has completed the probationary period.

It is understood that persons hired for vacation relief will be limited to the week beginning the first Sunday in June to the week beginning the third Sunday in September unless mutually agreed between the parties. Persons hired for vacation relief may be required for training prior to the first Sunday in June provided there are no employees on layoff.

ITEM 17

LOA: VACATION RELIEF VACANCIES

- (1) Where it can be determined that a vacancy exists for the purpose of “Vacation Relief, notice of such vacancy will be posted and filled in accordance with 7.10 (a). Any employee in the Division concerned may apply in writing to his supervisor within such three (3) working days. The Company will endeavour to post and award such jobs by January 31st of the calendar year.

Only fully qualified applicants will be considered for Service Division postings.

- (2) An employee appointed to a “Vacation Relief” vacancy will be required to:
 - (i) Fill any “vacation relief” vacancy and/or long term absences in the job description to which he is appointed for the calendar year in which he is required for vacation relief.
 - (ii) Apply for any posted permanent job vacancy in the job description for which he is assigned as “vacation relief” in the calendar year, if he has to be trained for the job.
 - (iii) Complete the prescribed number of learner periods.
- (3) It is agreed and understood that an employee may not hold more than one (1) “vacation relief” assignment for a calendar year but may apply for any new occupation vacation relief vacancy not previously posted for that calendar year.
- (4) When a “vacation relief” job is no longer required by the Company, the employee appointed to such job will return to the job on which he is a permanent incumbent.
- (5) While occupying a “vacation relief” job, an employee may apply for a permanent vacancy in accordance with the relevant provisions of the Basic Agreement. For the purpose of consideration for a permanent job vacancy, he will be considered as currently occupying the job on which he is a permanent incumbent.
- (6) An employee who is temporarily transferred while occupying a “vacation relief” job will be paid in accordance with Clause 6.45. For the purpose of Clause 6.45 his “regular job” will be the job on which he is a permanent incumbent.

- (7) For the purpose of point (6) above, an employee is a permanent incumbent of a job which he is occupying as a result of:
- (i) Appointment to a permanent vacancy
 - (ii) Transfer in lieu of layoff
 - (iii) Permanently transferred

ITEM 18

LETTER OF AGREEMENT RE: MULTIPLE ASSIGNMENT

The following are the jobs to which an employee may receive a multiple assignment as of August 1, 1996:

Multiple Assignment Job A

No. 14 Tractor Operator Hi Lift	J.C. 9
No. 24 Utility Man - Service	J.C. 5

It is understood that if the Company cancels any multiple assignments because of the conditions under which they were established being changed or discontinued, or by mutual agreement under the provisions of 6.26 of the Basic Agreement, new multiple assignments may be substituted, provided that there is prior discussion with the Union and provided further that such new multiple assignments are established consistent with and conforming to the principles on which the above multiple assignments were based. However, it is understood that the number of multiple assignments in effect at any one (1) time shall not exceed five (5) without the consent of the Union.

The above confirms our agreement regarding multiple assignments.

ITEM 19

LOA: SCHEDULING REQUIREMENTS

In the event that the Company is unable to satisfy its requirements for overtime where six (6) or seven (7) day operations are required the Company will discuss the scheduling requirements with the Union and explain the reason for such requirements with a view to finding a satisfactory solution. In the event a solution cannot be found, the Company will implement an alternate solution such as the hiring of temporary employees including students. Such temporary employees will not be entitled to the payment of overtime rates solely by reason of working on Saturday or Sunday.

ITEM 20

LOA: 12 HOUR SHIFT AGREEMENT

Implementation and Application

This letter sets out the conditions under which the parties agree to implement schedules of working hours, designated as the "T" schedule or "X" schedule and attached hereto as Appendix "A" and "B" respectively, applicable only to employees assigned to operations scheduled for one hundred and sixty-eight (168) hours per week or one hundred and sixty (160) hours per week.

It is understood that the Company may implement a schedule which is not identical to the schedule set out in Appendices "A" or "B", however, such schedule will be similar in pattern to these attached schedules and this letter will apply to such similar schedules.

It is understood that this Agreement covers all employees who are working schedules in the same pattern as the "T" Schedule or "X" Schedule. The provisions of the Basic Agreement will apply to employees who work eight (8) hour shifts.

The Company may institute schedules under this Agreement for a six (6) month trial period. At the conclusion of such trial period, in order for the schedule to continue, the Company and Union will jointly canvass or conduct a vote of employees affected by the schedule to determine whether they wish to continue the twelve (12) hour shift schedule, requiring the consent of sixty (60) percent of the affected employees to confirm the continuation of the schedule.

In view of the potential impact on employees and operations, this schedule will be subject to continuous monitoring by the Company. Representatives of the Company and the Union will meet from time to time at the request of either party, for the purpose of reviewing the experience relative to the operation of such schedule and more specifically to discuss any change in conditions in areas such as: safety and health, absenteeism, operational capability, legislative prohibition, etc., with the view to determining whether such schedule should be continued or terminated. The Company or the Union may, upon giving thirty (30) days written notice, terminate the application of the schedule to a group of employees.

Termination

In the event the schedule is terminated in accordance with the provisions of this letter, the parties agree that a schedule that complies with the provisions of the Basic Agreement or a schedule that is agreed to by the parties will be implemented.

An employee may not gain or lose entitlement to overtime or premium pay as a result of the transition from an eight (8) hour shift schedule to a twelve (12) hour shift schedule or vice versa as a result of the implementation or termination of a schedule under this Agreement.

Amendments to the Basic Agreement

The Company and the Union agree that the following shall constitute amendments to the Basic Agreement in order to give effect to the "T" or the "X" Schedules as provided herein where and when they apply to an employee.

It is understood that insofar as any provisions of this Agreement are specifically in conflict with any provisions of the Basic Agreement, the provisions of this Agreement shall prevail.

The term "day" or "working day" as used through the Basic Agreement shall mean either a regularly scheduled work day of eight (8) hours or twelve (12) hours whichever the case may be.

Specifically:

5.02(c) Is amended to read:

"The standard work day shall be twelve (12) hours: 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m., or 8:00 a.m. to 8:00 p.m. or 8:00 p.m. to 8:00 a.m.; or eight (8) hours 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m., and 11:00 p.m. to 7:00 a.m., or 8:00 a.m. to 4:00 p.m., 4:00 p.m. to 12:00 midnight, 12:00 midnight to 8:00 a.m., whichever the case may be".

5.03 Is amended by adding the following:

"When an employee is scheduled to a twelve (12) hour shift, he will be provided with one (1) thirty (30) minute lunch period and one (1) fifteen (15) minute lunch period."

5.04 Is amended to read:

"An employee on continuous operations shall not cease work until relieved on the job or otherwise instructed by his supervisor. A division may establish a relief system to permit early relief up to a maximum of thirty (30) minutes, provided that no employee may leave the plant before twelve (12) hours or eight (8) hours are shown on his clock card, whichever the case may be. It is further understood that if an employee fails to adhere to an established relief system he is to be paid only for hours worked during the scheduled hours on his shift.

Nothing herein shall preclude the Company from reverting to the relief provisions of the Basic Agreement."

5.05 Is amended to read:

"Overtime is defined as hours worked in excess of a standard work day or a standard work week, and shall be paid for periods of five (5) minutes or multiples thereof.

5.14 Effective August 1, 2005:

- (1) For hours worked by an employee for his regularly scheduled day turn from 3:00 p.m. until 7:00 p.m. or 4:00 p.m. until 8:00 p.m. as the case may be fifty-five (55) cents per hour.
- (2) For hours worked by an employee on his regularly scheduled night turn from 7:00 p.m. until 11:00 p.m. or 8:00 p.m. until 12:00 midnight as the case may be fifty (55) cents per hour.

(3) For hours worked by an employee on his regularly scheduled night turn from 11:00 p.m. until 7:00 a.m. or 12:00 midnight until 8:00 a.m. as the case may be sixty (65) cents per hour.

5.15 Sunday premium shall be paid to employees working schedules under this Letter of Agreement in accordance with Clause 5.16 and Item 24 of the Basic Agreement for all hours worked over an interval of twenty-four (24) hours between 7:00 a.m. Sunday and 7:00 a.m. Monday or 8:00 a.m. Sunday and 8:00 a.m. Monday as the case may be.

11.03 Is amended by adding the following:

"The expression" the number of hours normally scheduled for a turn" shall mean eight (8) hours. However, when a statutory holiday falls on a day on which an employee is scheduled to work a twelve (12) hour shift but is not required by the Company to work such shift, the special allowance for such employee shall be calculated on the basis of twelve (12) hours."

15.02 Is amended to read:

"An employee shall be permitted time off in accordance with the provisions of 15.02 to 15.05. Where any of such days fall on a scheduled twelve (12) hour working day for the employee, he shall be paid a bereavement allowance for each day equivalent to twelve (12) times the average hourly rate earned by him the preceding pay period. Where any of such days fall on a scheduled eight (8) hour working day for the employee he shall be paid a bereavement allowance for each such day equivalent to eight (8) times the average hourly rate earned by him in the preceding pay period".

C.W.S.

It is understood and agreed that the implementation of these schedules will not in itself result in any amendment or modification to the C.W.S. program or cause the Union or any employee to claim an existing job description and classification has changed.

In the future, new jobs will continue to be described and classified on the basis of a regular eight (8) hour shift of work and no consideration will be given to the extended hours of work beyond eight (8) hours.

APPENDIX "A"
"T" SCHEDULE - 168 HOURS PER WEEK

	SMTW ^T _h FS			
7am-7pm or 8am-8pm	DCCBBAA	ADDCCBB	BAADDCC	CBBAADD
7pm-7am or 8pm-8am	BAADDCC	CBBAADD	DCCBBAA	ADDCCBB
Days Off	ABBAABB	BAABBAA	ABBAABB	BAABBAA
Days Off	CDDCCDD	DCCDDCC	CDDCCDD	DCCDDCC

"T" SCHEDULE - 160 HOURS PER WEEK

	SMTW ^T _h FS			
7am-7pm or 8am-8pm	DCCB AA	ADDC BB	BAAD CC	CBBA DD
7pm-7am or 8pm-8am	BAAD CC	CBBA DD	DCCB AA	ADDC BB
Days Off	ABBAABB	BAABBAA	ABBAABB	BAABBAA
Days Off	CDDCCDD	DCCDDCC	CDDCCDD	DCCDDCC
7am-3pm or 8am-4pm	B	C	D	A
11pm-7am or 12am-8am	D	A	B	C

APPENDIX "B"

"X" SCHEDULE - 160 HOURS PER WEEK

	SMTW ^T _h FS			
7am-7pm or 8am-8pm	* DDCCBB	* AADDCC	* BBAADD	* CCBBAA
7pm-7am or 8pm-8am	~ BBAADD	~ CCBBAA	~ DDCCBB	~ AADDCC
7am-	A	B	C	D

3pm or 11pm- 7am	C	D	A	B
Days Off	BAABBAA	ABBAABB	BAABBAA	ABBAABB
Days Off	DCCDDCC	CDDCCDD	DCCDDCC	CDDCCDD

APPENDIX “C”

“W” SCHEDULE - 80 HOURS PER WEEK

	S	M	T	W	T	F	S	S	M	T	W	T	F	S
7 am - 7 pm * or 8 am - 8 pm *	A	B	B	A	A	B	B	B	A	A	B	B	A	A
Days off	B	A	A	B	B	A	A	A	B	B	A	A	B	B

* Saturday & Sunday: 7am – 5 pm or 8 am – 6 pm

APPENDIX “D”

“Y” SCHEDULE - 84 HOURS PER WEEK

	S	M	T	W	T	F	S	S	M	T	W	T	F	S
7 am - 7 pm or 8 am - 8 pm	A	B	B	A	A	B	B	B	A	A	B	B	A	A
Days off	B	A	A	B	B	A	A	A	B	B	A	A	B	B

APPENDIX “E”

“Z” SCHEDULE - 80 HOURS PER WEEK

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	S	M	T	W	T	F	S	S	M	T	W	T	F	S
7 am - 7 pm or 8 am - 8 pm		A	A	A	A*				B	B	B	B*		
7 pm - 7 am or 8 pm - 8 am		B	B	B					A	A	A			

* Thursday: 7is – 3 pm or 8 am – 4 pm

ITEM 21

LOA: COMBINED JOB ALLOWANCE

A special allowance will be paid for hours worked on a "Combined Job" where the nature of the combination and the job classification established for such "Combined Job" comply with the following agreed to parameters:

A. Definition

A "Combined Job" is one (1) which meets each of the following criteria:

- (i) Two (2) or more job descriptions are combined into one (1) job description and classification, and the other job description(s) is terminated; and
- (ii) The primary duties of the terminated job(s) are incorporated into the duties of the new job description of the remaining job, and
- (iii) One (1) or more employees are permanently displaced from the job(s) being terminated as a direct result of the combining of the two (2) or more jobs, and
- (iv) The incorporation of the primary duties of the terminated job(s) results in a significant change in the job content of the remaining job.

B. Rate of Pay

- (i) Where the job classification of the new "Combined Job" is two (2) full job

classes or more higher than the job classification of the job prior to such change, then the rate of pay for such new "Combined Job" shall be the job class of the new "Combined Job".

- (ii) Where the job classification of the new "Combined Job" is less than two (2) full job classes higher than the job classification of the job prior to such change, then the rate of pay for such new "Combined Job" shall be the job class of the new "Combined Job", and in addition, any employee occupying the new "Combined Job" will receive a "Combined Job" Allowance as follows:
 - (a) Where the job classification of the new "Combined Job" is one (1) job class higher than the original job, the "Combined Job" Allowance will be twenty-one (21) cents per hour worked.
 - (b) Where the job classification of the new "Combined Job" is equal to the job class of the original job, the "Combined Job" Allowance will be forty-two (42) cents per hour worked.
- (iii) This "Combined Job" Allowance shall be paid for all hours worked by an employee but shall not be increased by reason of having been earned in overtime. Hours not worked, even though compensated in accordance with a specific provision of the Agreement and deemed to be hours worked for other purposes, shall not be considered to be hours worked for the purpose of these provisions.

C. Administration

- (i) These provisions will not be applied to job combinations involving Assigned Maintenance, Trade and Craft or Special Progression occupations.
- (ii) These provisions will not be applied to new or substantially altered facilities such as the Casting facilities or #1 Bar Mill at Hilton Works.

It is agreed that this Letter of Agreement shall not be used as the basis of any claim that an existing job is a "Combined Job" and is eligible for a "Combined Job" Allowance.

The Company and the Union have agreed that a Joint Committee which shall include the Manager of Operations or his delegate and the Local Union President/Unit Chair or his delegate shall meet periodically at a mutually convenient date and time to discuss and review issues related to new or planned job combination.

ITEM 22

LOA: HUMANITY FUND

The Company will contribute one (1) cent per hour worked to the United Steelworkers Humanity Fund

and such contribution will be made for straight time hours worked only and will not be made for overtime hours or premium hours. Hours not worked, even though compensated in accordance with a specific provision of the Agreement and deemed to be hours worked for other purposes, shall not be considered to be hours worked for the purpose of this Fund. Contributions to the Fund will be made quarterly, in the middle of the month immediately following completion of each calendar quarter year, and such contributions remitted to the United Steelworkers National Office.

It is clearly understood that this Fund is to be utilized strictly for the purposes specified in the Steelworkers Humanity Fund Inc. Letters Patent, dated March 12, 1986.

ITEM 23

LOA: DISCRIMINATORY HARRASSMENT

The following policy with respect to discriminatory harassment is endorsed by both parties:

"ArcelorMittal Hamilton East and the United Steelworkers believe that the human rights of all employees must be protected, so as to ensure that every person is treated with dignity and respect.

No individual should suffer from or be exposed to harassment at work, based upon that person's race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, handicap, age, record of criminal offences, family, marital or employment status. Harassment is a course of conduct or comment that offends or abuses a person on any of the grounds stated above, where such behaviour is known or ought to reasonably be known to be offensive and unwelcome.

Sexual harassment is a particularly objectionable type of discriminatory course of conduct or comment which cannot be tolerated, as it represents an unwarranted intrusion upon a person's sexual dignity as a man or woman. Sexual harassment may take a variety of forms such as unsolicited or unwelcome gender-based comments, gestures and physical contact, or the control or alteration of working conditions so as to coerce submission to sexual advances.

In order to ensure the consistent application of this policy, it is both the right and the responsibility of any employee who believes that he or she has been subjected to harassment as defined above to immediately report such concerns to the designated representative. The Company will advise the designated Union representative of such allegation. All allegations will be fully investigated in a confidential manner. The complainant will be advised of the results of the investigation.

Any employee who, as a result of a full investigation is determined to be in violation of this policy may be subject to disciplinary action, up to and including discharge from employment."

Investigation and Resolution Procedure

- 1.1 The Company and the Union recognize the desirability of maintaining a working environment which is free from sexual and/or racial harassment.
- 1.2 For the purpose of this item, "Sexual harassment", includes:

- (1) Unwanted sexual attention of a persistent or abusive nature, made by a person who knows or ought reasonably to know that such attention is unwanted; or
- (2) Implied or expressed promise of reward for complying with a sexually oriented request; or
- (3) Implied or expressed threat or reprisal, in the form of either actual reprisal or the denial of opportunity, for refusal to comply with a sexually oriented request.

1.3 For the purpose of this item, "Racial Harassment", includes:

Engaging in a course of comment or conduct that is known or ought reasonably to be known to be unwelcome where such comment or conduct which disrespects or causes humiliation to an employee because of his or her race, colour, creed, ancestry, place of origin or ethnic origin.

1.4 An employee who claims a violation of the Policy may within thirty (30) days of the infraction, submit a written complaint to either the Company or Union designated Harassment Investigation Officer. These two (2) individuals, who will form the Harassment Investigation Committee, upon the receipt of the written appeal, will meet and review the facts surrounding the allegation. The Committee may then attempt to resolve the allegation by suggesting a course of action to the complainant, the alleged harasser, or an appropriate Company official. In the event that the allegation is not resolved on the basis of this recommendation, the Committee will prepare and issue a report of findings and recommendations. This report will be forwarded, in confidence, and upon written approval from the complainant, to Step 4 of the grievance process.

1.5 It is understood and agreed that all discussions and information related to a harassment complaint shall be held in the strictest confidence. The parties agree that neither member of the Harassment Investigation Committee can be a compellable witness at any arbitration. Further, it is understood that documents, reports, discussions, or information arising out of this investigation procedure cannot be introduced as evidence at arbitration or introduced during the course of any other legislative procedure.

1.6 It is understood that nothing herein shall preclude an employee from pursuing a complaint through applicable legislative procedures. Nor shall this procedure in any way be construed to limit the Company from exercising its right to suspend or discharge employees for just cause.

ITEM 24

LOA: SUNDAY PREMIUM

Any employee who is scheduled to work on continuous operations and is not paid overtime for Saturday and Sunday as such will be entitled to payment of Sunday Premium at the rate of one dollar and twenty-five cents (\$1.25) per hour in accordance with the provisions of Clause 5.15.

ITEM 25

LOA: JOB ASSIGNMENT

In those cases where a job description covers work performed on more than one (1) unit of similar equipment, the Company will endeavour to assign employees working under that job description in accordance with their seniority.

The Company will endeavour to assign employees in accordance with their seniority only when a unit of similar equipment within the given job description is required to be permanently filled either as a result of the unit not having been previously filled or as a result of a termination of employment, permanent assignment, or to another unit within the same job of the existing permanent assignee.

ITEM 26

LOA: EMPLOYEE ASSISTANCE PROGRAM

The parties recognize that our organization's most important assets are employees, and that human problems have the potential of being successfully addressed, provided that they are identified in their early stages and an individual effort is made to obtain assistance from an appropriate resource. Whether alcoholism, drug abuse, physical illness, mental or emotional stress, marital distress, financial problems, family conflict or other concerns, these are human problems which may have a profound impact upon the lives of employees affected, their families, and their job performance.

1. Policy Statement

The parties wish to foster and maintain an attitude of assistance towards problems encountered by the employees of Hamilton East, and members of their immediate families. Therefore, we support the implementation of an EAP which is designed to:

1. Prevent or resolve personal, social, or health problems which may have a negative impact on employees' lives;
2. Enable employees to improve their quality of life; and
3. Assist troubled employees in arranging for appropriate outside assistance.

The parties agree to form a Joint EAP Committee. The role of this Committee is to act in an advisory capacity to the EAP services provider.

The Employee Assistance Program will be a broad program providing assistance with a wide range of personal problems such as alcoholism, drug abuse, mental or emotional stress, marital distress, financial problems, family conflicts, problems associated with aging, depression and others. The parties believe that personal problems such as these can have a profound impact

upon the lives of employees affected, their families, and their job performance. It is also recognized that these human problems are responsive to treatment and rehabilitation. Further, it is believed that success of treatment is enhanced when such problems are identified in their early stages.

The EAP does not in any way alter the rights of the parties. The Company maintains the right to establish standards of performance and to administer and exercise established disciplinary policy distinct from the EAP. The Union maintains its right to ensure the fair and equitable treatment of its members and to protect their rights in accordance with established grievance procedure.

2. Confidentiality

All actions required in the administration of the EAP will be performed in a manner which will maintain client confidentiality and respect for privacy.

Contact and involvement with the EAP is strictly confidential. No information will be released to anyone without the written consent of the participant.

The EAP Committee shall not discuss individual cases nor shall it have access to information regarding an individual case.

An employee who participates in the Program is responsible for maintaining the privacy and confidentiality of others of whose participation in the Program they may be aware.

Statistical data required for the purposes of program evaluation, reports, and billing will be compiled by the agency responsible for counselling services for distribution to the members of the Joint EAP Committee in a manner that strictly guarantees the privacy and confidentiality of employees involved in the program.

3. Referral Mechanisms

Participation in the EAP is voluntary. However, referral mechanisms include Self, Informal/Suggested, Formal referrals.

4. Access

Eligible employees and their families (spouse/partner, dependent children) are eligible for counselling sessions through the Program, subject to limitation.

Employees are expected to use their own time outside of regular working hours to attend appointments with the EAP Counsellor and/or with other professionals to whom the EAP Counsellor has referred the employee for treatment.

In the case where treatment requires an extended absence, on the part of the employee, such absences will be dealt with according to the existing sick leave policy of the company.

5. Job Security

An employee's participation in the EAP shall not jeopardize job security or affect that employee's future employment or advancement at the Hamilton East facility.

6. Eligibility

The EAP is available to all employees, following completion of their probationary period. Eligible family members, are specifically, spouse (married spouse, or common law spouse where the couple have been co-habiting for a minimum of one (1) year) and dependent children (including step or adopted children, under age twenty-one (21), or over age twenty-one (21) and attending university or similar institution, chiefly dependent on the employee for support and maintenance).

Discharged employees are not eligible for the EAP. Discharged employees who are participating in the EAP at the time of their discharge will be referred to an alternate resource as appropriate.

7. Cost

The services of the EAP will be available at no cost to eligible employees and their families subject to a yearly maximum of sessions. Where it is deemed necessary by the EAP to refer an employee for treatment outside of the EAP, the employee will be responsible for incurring the cost, if any of such treatment.

8. Termination of the Program

A decision by the Union or the company to withdraw from this program must be given to the other party no less than thirty (30) days prior to termination.

9. Program Funding

It is understood that the EAP will not result in any additional cost as a result of the implementation or operation of the program, except as may be agreed to by the Company.

ITEM 27

LOA: SCHEDULED OVERTIME

The Company will continue its practice of reviewing each claim by an employee that he was improperly denied a scheduled overtime shift in error and where it is determined that the employee's claim is legitimate, the Company will endeavour to schedule the employee on an overtime shift as soon as reasonably possible at a time mutually acceptable to the Company and the employee.

Overtime awarding procedures will be agreed to between the Union President/Unit Chair of the Hamilton East facility and the Operations Manager. The procedures will be posted on the bulletin boards of each division, and updated as changes occur.

If the Company was made aware of the error by a Steward before the overtime being worked and no effort was made by the Company to correct the error, the wronged employee will be compensated for the loss of overtime.

ITEM 28

LOA: EDUCATION FUND

A Fund will be established to assist all employees at Hamilton East who wish to improve their education through attendance at seminars, school classes or such other training programs as may enhance the development and performance of the employee, including the establishment of an appropriate Union training and educational facility.

The Education Fund will be administered by the local Union and once (1) per year the Company may request a meeting with the Union to review the financial position and the administration of the Fund.

The Company will contribute two (2) cents per hour worked to the Education Fund and such contribution will be made for straight time hours worked only and will not be made for overtime hours or premium hours. Hours not worked, even though compensated in accordance with a specific provision of the Agreement and deemed to be hours worked for other purposes, shall not be considered to be hours worked for the purpose of this Fund. Contributions to the Fund will be made quarterly, in the middle of the month immediately following completion of each calendar quarter year as specified in Item 14 of the Basic Agreement.

It is clearly understood that this Fund is strictly an education fund, to be utilized only for the education of employees of Hamilton East in accordance with the general purposes as outlined above. If it is determined by the Company that this Fund is not being utilized in the agreed upon manner, the Company may withhold contributions to the Fund until it is satisfied that the Fund is being properly utilized. In the event that the Company does decide to withhold any contributions for this reason, the Union may appeal the decision of the Company through the grievance and arbitration provisions of this Agreement.

ITEM 29

LOA: EMPLOYEE ABSENCES

It is understood that when an employee is absent from work it is the employee's obligation to notify the Company of such absence in advance of the start of the scheduled shift where possible. Notification of an absence shall be given to the employee's foreman and in the event that the foreman is not readily available, notification shall be made to another designated person in the division. Such notification shall specify the nature, reasons, and expected duration for such absence.

It is an employee's obligation to justify such absence which, at the request of the Company, (where

sickness is claimed) will require the employee to produce a doctor's certificate. When an employee is required to produce a doctor's certificate, the note must be evidence of the employee's need to be absent in order to be considered as justification for the absence.

The Company will not request a note where it could have no probative value such as after an absence where the employee has not seen a doctor; where an employee has maintained that he saw a doctor during his absence where sickness is claimed, the Company may properly request a doctor's note.

Failure to notify or justify any absence shall constitute an unjustifiable absence.

It is understood that this Letter of Agreement shall apply in all cases of absence including those absences specifically dealt with under various provisions of the Basic Agreement. An employee who reports for work on a qualifying turn under 11.02 or 11.04 more than one (1) hour after the start of such turn and whose absence due to lateness is justified in accordance with this letter will not be disqualified from receiving the special allowance under 11.02 and 11.04.

Where an employee returns to work after an absence and has not given notice to his division supervisor of his planned return in time to be placed on the weekly schedule, the Company will not be obliged to return the employee to his regular job immediately upon his return. The Company will endeavour to return such employee to his regular job, but where it is not practical to do so, the employee may be temporarily transferred to alternate work.

ITEM 30

LOA: CANADA WORKS CONSOLIDATION

It is understood and agreed that the applicable sections of the Memorandum of Agreement re Canada Works Consolidation, dated April 27, 1984 will continue in effect with respect to former Canada Works employees relocated under such Agreement to any one of the plants party to such Agreement, namely, Brantford Works, Swansea Works, Parkdale Works, Frost Works, Canadian Drawn Steel Company, Burlington Works (Distribution Centre) and Burlington Works (Continuous Rod Processing Plant).

ITEM 31

LOA: PREFERENTIAL HIRING

The Company will give preferential consideration to a person who has been laid off from a Works of the Company, and who possesses recall rights, for purposes of hiring into permanent vacancies at another Works in the same geographic area, including ArcelorMittal Dofasco Inc., provided that such person is physically fit and possesses the necessary basic skills to perform the available work. In order to be eligible for such consideration, the former employee must make special application to the Company so as to declare his interest for alternative employment. Such applicants shall be assessed on the basis of their former service. In this regard, the Company agrees to the following:

- (a) The Human Resources Department telephone number and address at each plant of the Company will be provided by the Company to each laid off employee;
- (b) Upon being laid off, an employee will be provided an employment application form;
- (c) The Company will notify the appropriate local Union(s) of any new employment opportunities as soon as practicable prior to hiring with monthly update;
- (d) Each plant Industrial Relations Department will prepare a listing of former employees on layoff and their general skills. Such listing will be supplied to all plants and local Unions in the geographic area. The Company shall accept application from the laid off employees, and forward them to the plant that the laid off employee has designated on the application form.

If an eligible laid off person is subsequently hired by the Company at another Works, he will be granted service for purposes of Pension, Group Insurance, Vacation Entitlement and Supplementary Unemployment Benefit Plan credits, provided such person successfully completes the normal probationary period in effect at the new Works. It is understood and agreed that an employee who fails to waive his recall entitlement to his former Works before the completion of his probationary period will be terminated, and ineligible for any further consideration in accordance with these provisions. Where an employee has waived his recall entitlement during his probationary period, and is subsequently terminated by the Company prior to the completion of such probationary period, the employee's waiver of recall entitlement to his former Works shall be declared null and void.

Transfer of Operations

It is further understood and agreed that employees at a Works who are laid off as a result of the transfer by the Company of equipment from one (1) Works to another, will be given preferential consideration for new employment, in accordance with the above provisions.

In the event of the future hire of such person in accordance with these and the above provisions, full Company service will additionally be provided for the sole purpose of determining the period of recall entitlement, should such person be laid off from the new Works.

Relocation Assistance

The Company agrees to jointly investigate with the Union any entitlement that an employee may have, who is hired in accordance with the above provisions, for financial relocation assistance as a result of available Federal or Provincial programs.

ITEM 32

LOA: FLEXIBILITY & MAXIMIZATION OF OPERATIONS

1. The current provisions with respect to hours of work, and the current schedules of work established in accordance with such provisions shall be maintained unless additional business is secured necessitating a twenty (20) or twenty-one (21) turn level of operations on all or part of

plant or equipment, or unless as of August 1, 2000, the requirement for increased efficiency of operations and/or cost effectiveness requires such levels of operation.

2. (a) Under condition 1 above, the Hours of Work provisions as specified in Appendix "A" attached may be implemented by the Company. Prior to such implementation, the Plant Manager and the Industrial Relations representative will arrange a meeting with the Local Union Executive Committee to review and discuss the conditions necessitating such implementation including such matters as vacation scheduling, scheduling on statutory holidays and any other matters of concern. The Local Union will have the opportunity to make suggestions with respect to alternate methods of meeting operating requirements and the Company will seriously consider any such suggestions. Furthermore, the Union and the Company will discuss the proposed schedules of work, and the Company will endeavour to accommodate, where possible, the preferences of senior employees with respect to the new schedules of work. Such meetings between the parties will be arranged at least two (2) weeks prior to the implementation of the amended hours of work.
 - (b) (i) The Company will not implement the provisions of this Letter for the specific purpose of workforce reductions or reducing the level of operations on the equipment not being scheduled on twenty (20) or twenty-one (21) turns.
 - (ii) When one (1) or more units of similar equipment within a job description are scheduled in accordance with the provisions of this Letter, the level of operations of the other units within the same job description will not be reduced as a direct result of such increase. In this regard, production will not be transferred between units of similar equipment within the job description so as to justify or maintain a continuous operation.
 - (iii) For the Cleaning, Wire Galvanizing, Annealing, Oil Temper and Wire Drawing areas "Clauses 2.(b)(i) and 2(b)(ii) will only apply when an employee on the payroll of the Company as of March 31, 1996 is laid off in accordance with 7.08.
3. It is understood that with respect to the hours of work scheduled by the Company on a twenty (20) or twenty-one (21) turn schedule in accordance with Appendix "A", the Company will maintain the starting and quitting times for shifts of work as currently specified in the appropriate provision of the current Hours of Work Section pertaining to double and triple turn operations.
4. Where Appendix "A" is implemented and additional working force is required, the Company will, subject to Section 7 of the Basic Agreement, preferentially hire laid off former employees with recall rights from other Works in accordance with the Letter of Agreement re Preferential Hiring.
5. (a) Any permanent employee or former employee with recall rights as of April 1, 1987, whose permanent job is scheduled under the Hours of Work provisions as specified in Appendix "A" and who is scheduled to and works such schedule, will receive a one (1) time lump sum payment of five thousand dollars (\$5,000) in the pay period

immediately following his commencement of work on such schedule.

- (b) Any permanent employee or former employee with recall rights as of April 1, 1987 who is temporarily assigned to a job(s) which is scheduled in accordance with the provisions of Appendix "A" and who works such twenty (20) or twenty-one (21) turn schedule for a total of four hundred (400) hours of work on such job(s) in any twelve (12) consecutive month period, will receive a one (1) time lump sum payment of five thousand dollars (\$5,000). Hours not worked by reason of absence on scheduled vacation and the celebration of a statutory holiday for which the employee was paid an allowance will be counted towards the four hundred (400) hour provision.
 - (b) An employee will only be eligible to receive one (1) of the one (1) time lump sum payments under the provisions of this section.
6. Where the conditions necessitating the implementation of Appendix "A" cease to exist, the Company will schedule in accordance with the Hours of Work and Overtime provisions of the Basic Agreement.
 7. When an employee is temporarily transferred from a Monday to Friday schedule to a twenty (20) or twenty-one (21) turn schedule (or vice versa) established under the provisions of this letter, such employee will be paid overtime rates for work performed on the first scheduled shift of the new schedule. This premium will only be paid on the temporary transfer to the new schedule.
 8. The Company will discuss and confirm on a Local Works basis the existing schedules of work at current operating levels. Such discussion will provide for a consideration of any changes that may be mutually agreed to with respect of such existing schedules.

In view of potential concerns or problems associated with the implementation of schedules in accordance with this Letter, it is understood that a meeting will be convened during the term of the Agreement upon the request of either the Company or the Union, to discuss any matters of concern or problems related to twenty (20) and twenty-one (21) turn operations.

APPENDIX "A"

1. (a) The normal workday for the purposes of this Section shall be eight (8) hours of work in a twenty-four (24) hour period.

(b) Subject to (2) below the normal workweek shall be any five (5) normal workdays within a workweek.
2. The work pattern shall be five (5) consecutive workdays beginning on the first day of any seven (7) consecutive day period and may begin on any day of the calendar week and may extend into the next calendar week. The Company may increase or decrease the number of shifts or days on or during which a division may be scheduled, but all employees shall be scheduled on the basis of the work pattern except where:

- (a) Such schedules regularly would require the payment of overtime;
- (b) Deviations from the work pattern are necessary due to breakdowns or other conditions beyond the control of the Company;
- (c) Schedules deviating from the work pattern for reasons other than (a) or (b) above are established by agreement between the Company and the Union.

IMPLEMENTATION OF CONTINUOUS OPERATIONS

The following procedure is applicable when a 20 or 21 turn level of operations is implemented under this item (Item 32):

1. Subject to the provisions of Clause 7.06, in those instances when an incumbent employee on the job or jobs to be effected by such schedule elects to not apply for his/her job description scheduled for continuous operations, such employee shall be deemed to be displaced from the job and will be entitled to claim a job in the following order:
 - a) The scheduled eight (8) hour job assignment in his/her department in the same description held by any employee junior to him/her in service, or if such job is not available to him/her;
 - b) The job of the junior employee in any other scheduled eight (8) hour job in his/her department provided his service is greater than that of the employee to be displaced;
 - c) Then the job of the junior employee in any other eight (8) hour scheduled job in any other department in the plant.
2. It is agreed and understood that if an employee is unable to claim a job in point 1 above, such employee is deemed an applicant for his incumbent job scheduled for continuous operations, however, the employee shall not be bound to the provisions of Clause 7.10(c) of the Basic Agreement.

This section "Implementation of Continuous Operations" of Item 32 was previously a letter of understanding (January 12, 1999) and was incorporated into the Basic Agreement in 2012.

ITEM 33

LOA: MULTIPLE ASSIGNMENTS

It is understood that a multiple assignment is defined as the assigning of one (1) employee to a vacancy consisting of more than one (1) distinctly classified job under the following circumstances:

- (a) Where the jobs making up the multiple assignment are generally performed sequentially rather than concurrently (e.g. operating a nail tumbler then a bluer involves sequential duties, while operating a lift truck and "hand bombing" involves simultaneous duties);

- (b) Where the division of work assignments is distinct enough to be capable of a proper division of wages.

Multiple Assignment Job B is an example of such principles.

The Company will not introduce new multiple assignments inconsistent with these principles and the Union will not withhold consent under Item 20 where a proposed multiple assignment confirms these principles.

ITEM 34

LOA: PRINTING BASIC AGREEMENT

Following discussions at 2012 Negotiations the Company offers the following:

The parties will endeavour to print and distribute the new Collective Agreement as expeditiously as possible subject to the efforts of the selected printing company and any other unforeseen delay.

It is the intent of ArcelorMittal Hamilton East Management and Union officials to ensure that the new Basic Agreement will be distributed to all employees within one hundred and eighty (180) days of ratification. However, it is understood that failure to satisfy this statement of intent will not in any way be construed to reduce or nullify the force of any of the provisions made between the parties within the text of the aforementioned Basic Agreement or its ancillary documents.

ITEM 35

LOA: 8.08, 8.09

The Company agrees to expedite the hearing and answering of grievances at all stages whenever possible.

ITEM 36

LOA: TRADES TRAINING

The following serves to confirm our understanding with respect to the above-cited topic:

The Company will promote and support trade skills upgrading by identifying necessary night school courses which are prerequisites for promotion. However, employees are expected to take such courses on their own time. In turn, the Company agrees to provide tuition reimbursement through the existing provisions of the Basic Agreement.

It is understood that, regardless of academic preparation, an employee will continue to be required to

take a trade test before promotion can be granted.

ITEM 37

LOA: SCHEDULE CHANGES

This is to confirm the understanding arrived at in our discussion on 19 October 1984 regarding schedule changes.

The existing policy regarding mid-week schedule changes is unchanged. Any practice regarding shift changes that currently exist in the Wire Mill is unaffected. For schedule changes which take effect on Monday the following policy will be followed:

1. Where an employee's schedule is changed after having been communicated to him and that change involves a change to or from a Monday day turn, the Company will notify the employee of the change at least eight (8) hours before the start of the formerly scheduled or the newly scheduled shift, whichever is earlier. For example, a change of schedule from Monday 7-3 to Monday 3-11 would require notice by 11:00 p.m. Sunday.
2. Where an employee's schedule is changed after having been communicated to him and that change involves a change from Monday afternoon turn to Monday night turn, the Company will notify the employee of the change at least four (4) hours before the start of the afternoon turn.

Where appropriate notice under (1) or (2) above is not given, the employee will be compensated according to practice.

Supervision will be encouraged to notify employees of schedule changes at the earliest opportunity. Except as specifically amended herein, existing practices regarding notice requirements are unchanged. For example, the Company will bear no liability where an employee has registered no telephone number with the Human Resources Department.

ITEM 38

LOA: DISCHARGES

It is the intention of the Company to advise the Chief Steward of any discharge in his area as soon as is possible or within forty-eight (48) hours of discharge where practicable.

Additionally, the Company shall attempt to inform the Local Union President/Unit Chair of any discharge as soon as is reasonably possible.

It is understood by the parties that failing to notify the Chief Steward or Union President/Unit Chair within any of the time limits set above shall not nullify any such discharge.

ITEM 39

LOA: GROUP INSURANCE/PENSIONS

The following will serve to confirm our understanding with respect to the above-cited topic:

Group Insurance:

The Company shall pay on behalf of each employee who has completed probation, the cost of the following benefits:

Dental Care, Vision Care, Life Insurance, Weekly Indemnity, Hearing Loss, Long Term Disability, Healthcare, and Accidental Death and Dismemberment.

All of these benefits set out above shall be provided in accordance with, and as more particularly described in the respective plans and policies. These plans and policies do not form part of the Collective Agreement between the parties. Any disagreements as to the payment of these benefits under such plans shall be resolved pursuant to the dispute settlement provisions of these plans or policies.

The Company will have the right to select the carrier of its choice with respect of any of the above benefits, provided that in the event that the carrier is changed, an equivalent level of benefits and conditions is maintained.

Pensions:

The Company agrees to maintain a Pension Plan with contributions and benefits equivalent to that currently in existence. The terms of the Plan do not form part of the Collective Agreement. Any disagreement as to payment of benefits under the Pension Plan shall be resolved pursuant to the dispute settlement provisions in that Plan.

A dispute arising with respect to the obligation of the Company to provide for benefits under a Group Insurance Plan and/or the obligation to maintain a Pension Plan as outlined above, will be arbitrable under the provisions of Section 8 of the Basic Agreement.

ITEM 40

LOA: PENSION & GROUP INSURANCE APPEALS

It is the intention of the Company to resolve Pension and Group Insurance Appeals in a timely fashion. Accordingly, the Company shall strictly follow the terms and conditions of the appeal process as outlined in the Pension Agreement and Group Insurance Agreement.

ITEM 41

LOA: OVERTIME MEAL ALLOWANCE

Effective August 1, 2008, the overtime meal allowance is seven dollars (\$7).

ITEM 42

DELETED (Formerly ISP ADVANCE PAYMENT)

ITEM 43

LOA: CONTINUOUS OPERATIONS – ITEM 32

The existing practice of continuous metallurgical personnel testing continuous and non-continuous equipment on Monday to Friday will continue. In addition, continuous testing will be limited to continuous operations equipment on weekends unless agreed to by the Union. Such requests will not be unreasonably withheld.

In the event that new and/or combined jobs are required, that fulfill the intent of the language changes, the Company and Union shall discuss the addition of such jobs to the above list by mutual agreement. Such agreement shall not be unreasonably withheld.

ITEM 44

LOA: CONTINUOUS OPERATIONS – ITEM 32

There shall be a moratorium on the application of the layoff clause in 2(b)(iii) of Item 32 of the Basic Agreement through July 31, 2012. (e.g. 2(b)(i) and 2(b)(ii) will not apply from the effective date of this Collective Agreement until its termination).

ITEM 45

WIRE DRAWING SCHEDULING

Present

Nights	37 F				
Afternoon	37 F	25 / 26 F	30 / 31 F		
Days	37 F	25 / 26 F	30 / 31 F	13 / 14 F	27 / 28 F

Proposed

Nights	37 F	13 / 14 F	27 / 28 F
Afternoon	37 F	25 / 26 F	30 / 31 F
Days	37 F	25 / 26 F	30 / 31 F

Advantages

- Balanced demand from the Clean Lines
- Cleaners & Wire Drawers aligned
- Reduced Stock Outs (particularly day shift)
- Balanced Material Handling Load
- Balanced Shift Maintenance
- Shift Maintenance aligned with production employees
- More frames available on days for maintenance
- Alternate frames available on each shift
- Employees maintain a rotation

ITEM 46

LOA: SUNDAY NIGHT START-UP

The Company and the Union recognize the mutual advantages associated with commencing the work week on Sunday nightshift. The Sunday-Thursday schedule shall be observed for employees scheduled to work eight (8) hour shifts. If either party wishes to terminate this schedule, they shall consult the other party and provide thirty days (30) written notice.

- The first shift of the regular work week is Sunday nightshift 11:00 pm - 7:00 am.
- The last shift of the regular work week will be Thursday nightshift 11:00 pm - 7:00 am.
- Overtime shall be paid for employees working Friday nightshift 11:00 pm - 7:00 am when working on eight (8) hour shifts.
- Statutory Holidays celebrated on a Monday will be paid at 1 1/2 times the regular wage rate starting Sunday nightshift if required to work, or Sunday nightshift will be recognized as the employee's statutory holiday day off.
- When scheduled on eight (8) hour nightshifts, no employee will be entitled to receive the \$.75 premium in accordance with 5:15 of the Basic Agreement. Employees who work the Friday nightshift, 11:00 pm to 7:00 am will be entitled to this premium (all other entitlements remain the same).

The intent of this Letter of Agreement is to start the work week on Sunday nightshift. No employee shall gain or lose any entitlement as a result of the modification of the workweek.

Content of the letter was taken from an email dated August 20, 2006 from Scott Duvall, President, Local 5328, USW.