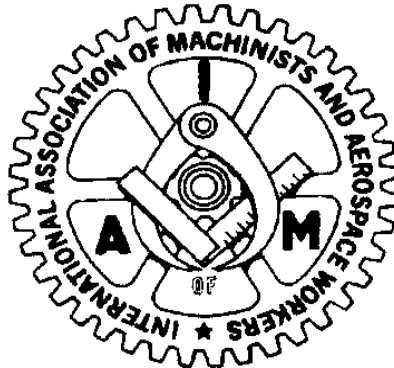


**COLLECTIVE AGREEMENT**  
**Between**



**AUTOLIV ELECTRONICS CANADA, Inc.**  
*and*



**THE INTERNATIONAL  
ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS**

**LOCAL LODGE # 2113  
2004-2007**

## **TABLE OF CONTENTS**

<b>ARTICLE</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
1	Purpose	5
2	Recognition	5
3	Rights of Management	6
4	Check-off Union Dues	6
5	No Strikes and No Lockouts	7
6	No Discrimination	7
7	Union Representation	7
8	Health and Safety	9
9	Grievance Procedure	10
10	Arbitration	11
11	Discipline/Discharge Cases	12
12	Seniority	13
13	Posting Notices	22
14	Hours of Work	22
15	Special Allowances	26
16	Paid Holidays	27
17	Vacations	28
18	Health and Welfare	29
19	Wage Rates and Job Classifications	30
20	Duration of Agreement	31

## APPENDICES

<b>APPENDIX</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
Appendix "A"	Job Classifications Applied to Job Levels	33
Appendix "B"	Life Insurance and Accidental Death and Dismemberment Coverage	37
Appendix "C"	Health and Welfare Program Coverage	39
Appendix "D"	Autoliv Electronics Canada, Inc.. Retirement Plan	41
Appendix "E"	Joint Steering Committee	43
Appendix "F"	Alternate Work Schedules	44
Appendix "G"	Apprenticeship Agreement	46
Appendix "H"	Overtime Groups	53
Appendix "I"	Tools	54
Letter #1	Policy of Outside Contracting	55
Letter #2	Group Leaders	56
Letter #3	Administration of Discipline	57
Letter #4	IAM Benefits Representative	58
Letter #5	Life Insurance Plan	59
Letter #6	Certification Requirements	60
Letter #7	Management / Union Communication	62
Letter #8	Worker's Compensation Board Cases	63
Letter #9	Apprenticeship Agreement	64
Letter #10	Pension Communication	65
Letter #11	Alternate Work Schedule	66
Letter # 12	Employee Assistance Programme	67
Letter #13	Insurance Carrier Change	68
Letter #14	Staffing During Shutdown	69
Letter # 15	Return to Work Disputes	70
Letter #16	Voluntary Layoff	71
Letter # 17	Information Sharing	72
Letter # 18	Overtime	73
Letter # 19	Steward Meeting	74
Letter # 20	Role of the 2.1 Classification	75

Letter # 21	Role of the 14.2 Classification	76
Letter # 22	Role of the 14.4 Classification	77
Supplement	Joint Union Management	78
	Health and Safety	
	Committee	

## COLLECTIVE AGREEMENT

This Collective Agreement is made effective this 13 day of January, 2004  
Between  
AUTOLIV ELECTRONICS CANADA Inc., hereinafter referred to as the "Company"  
and  
THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE  
WORKERS and its LOCAL LODGE NO.2113, hereinafter referred to as the "Union"

### PURPOSE

- 1.01 The purpose of this Agreement is to define the relations between the Company and the Union, the wages and working conditions of employees of the Company represented by the Union and the means by which complaints, grievances and disputes shall be disposed of promptly, equitably and in a spirit of mutual cooperation. In addition, the Company and the Union are committed to a relationship which fosters mutual cooperation, joint initiatives and the empowerment of the work force to provide enhanced opportunities for job security and the long term viability of the Markham Plant.

### RECOGNITION

- 2.01 a) The Company recognizes the Union as the sole and exclusive collective bargaining agency for all of the employees of the Company at its operations in the town of Markham, save and except Supervisors, Foremen, persons above the rank of Supervisor/Foremen, Office, Sales Staff and Security Guards.
- b) In the event the Company closes its Markham Plant and operations currently performed by bargaining unit employees are relocated to a newly established facility within the Province of Ontario, the Company will continue to recognize the Union as the sole and exclusive collective bargaining agency and the provisions of this Collective Bargaining Agreement will be extended to cover the new facility.
- c) If the Company re-establishes a manufacturing facility in the Province of Ontario, it will give first opportunity for permanent positions to employees severed under this agreement.
- d) The Company agrees that in the event the operations are transferred to another facility within the Province of Ontario, that no employee will be forced to relocate more than one hundred (100) kilometers and any employee who chooses not to relocate will be entitled to all severance allowances, contractual or statutory, provided for in this agreement.
- 2.02 The Company agrees that it will not permit any person not within the Bargaining Unit to perform the work or operations normally done by an employee within the

Bargaining Unit, with exceptions in the following types of situations

- (a) In line set-ups where qualified Bargaining Unit personnel are not directly available.
- (b) In experimental work or inventory, (except that of initial routine counting and recording of production materials).
- (c) In an emergency or instructing employees.
- (d) The Company will notify the Shop Steward or Chief Steward prior to performing work outlined by paragraphs 2.02 (a), (b) and (c).

## RIGHTS OF MANAGEMENT

3.01 The Union acknowledge., that it is the exclusive function of the Company:

- (a) To maintain order, discipline and efficiency;
- (b) To hire, retire, direct, promote, demote, transfer, discipline, suspend, discharge employees, and to increase and decrease the working forces, provided a claim of discriminatory promotion, demotion, transfer, discipline, retirement and suspension or a claim by an employee that they have been discharged without just cause may become the subject of a grievance and be dealt with as hereinafter provided;
- (c) Generally to manage the business in which the Company is engaged and without restricting the generality of the foregoing, to determine the number and location of establishments, the products to be manufactured, processed or handled, the methods and processes to be used, schedules of production and work, kinds and locations of machines, tools and equipment to be used, engineering required, and the control of materials to be used in the products manufactured or handled;
- (d) To make, alter and enforce rule and regulations to be observed by employees. Such rules and regulations shall not be inconsistent with the terms of this Agreement.

## CHECK-OFF OF UNION DUES

4.01 All employees covered by this Agreement shall as a condition of employment, upon completion of their respective probationary periods, become members of the Union and remain members in good standing in the Union during the term of this Agreement.

Prior to starting work, new employees, shall be required to complete and sign the Union Membership Application form and they will be introduced to their Shop Steward by their Supervisor.

4.02 Employees shall be required to authorize the Company on a form provided to deduct from each week's pay an amount equal to the regular weekly dues of the Union. Such deductions shall be remitted to the Local Lodge of the Union, together with a list of employees from whom such deductions were made. The list will include hires and severances.

The Company will show the amount of dues deducted on T-4 slips issued to employees.

#### NO STRIKES AND NO LOCKOUTS

5.01 The Company agrees that it will not cause or direct any lockout of its employees so long as this Agreement continues to operate, and the Union agrees that there will be no strikes, slow-down, sit-down, work stoppage or suspension of work, either complete or partial for any reason by the employees so long as this Agreement continues to operate.

#### NO DISCRIMINATION

6.01 The Company agrees that there will be no discrimination, interference, restraint, or coercion exercised or practised by the Company or by any of its representatives with respect to any employee.

6.02 The Union agrees that there will be no intimidation, interference, restraint, or coercion exercised or practiced upon employees of the Company by any of its members or representatives, and there will be no solicitation for membership, or other union activity on the premises of the Company during an employee's working hours except as otherwise provided in this Agreement,

6.03 The Company agrees that it will not discriminate against any person because of race, creed, colour, nationality, ancestry or place of origin, sex, sexual orientation, or age as provided in the Employment Standards Act of Ontario, Human Rights Code.

#### UNION REPRESENTATION

7.01 The Union shall elect or otherwise appoint a Shop Committee consisting of the President and Vice President of Local Lodge No.2113 and Chief Stewards as provided for in Section 7.02. The members of the Shop Committee shall be employees of the Company covered by the Agreement.

7.02 The Union may elect or otherwise appoint and the Company shall recognize one

(1) Chief Steward on the day shift, one (1) Chief Steward on the afternoon shift and one (1) Chief Steward on the midnight shift. It is understood that complaints, grievances, etc., will be communicated to management by not more than one (1) Chief Steward who may be accompanied by a Line Steward.

Additionally, the Company agrees that they will recognize an additional chief steward, on any shift that employs more than 125 people.

Individuals identified as Line Steward(s) will remain in their area unless they do not have sufficient seniority to remain on the shift, or accept a promotion in line with their seniority, or if their product line is eliminated or moved. Individuals identified as Chief Stewards will remain in their area and on their shift for the period of their current respective term unless they accept a promotion in line with their seniority.

7.03 The Union shall notify the Company in writing of the name, of the members of the Shop Committee, Chief Stewards, Line Stewards and the Union's appointees on joint committees within fourteen days of ratification of this agreement, and of any subsequent changes.

7.04 (a) For the purposes of improving communications between the parties and discussing matters of mutual concern, representatives of the Company will meet the Shop Committee once each month. Such meetings will be held during the second week of each month on some mutually agreeable day of that week and the Company and the Union will exchange agendas of matter for discussion not later than seven days before each meeting. If an agenda is not submitted by either party, it is understood that the month's meeting is cancelled.

(b) In case of urgent matters, additional meetings shall be held at other times which are mutually agreeable to the Parties.

7.05 A Shop Committeeperson or Chief Steward or Line Steward shall, after notifying and receiving permission from their Supervisor, be permitted at reasonable times during working hours, to leave their regular duties for a reasonable length of time in order to investigate or settle any complaint or grievance which may arise. The Company agrees that any such permission will not be unreasonably denied.

When returning to their regular duties, the employee shall so notify their Supervisor. When the time is spent by a Shop Committee person or Chief Steward or Line Steward during their regular working hours, and on the premises of the Company, and when permitted, for the purpose of investigating, settling or meeting with the Company, with respect to the complaint or grievance of an employee, they shall be paid at their straight time hourly rate of pay for time spent away from their regular duties. Notwithstanding the following the Company will recognize the functions of the President as justifiable paid time away from regular duties up to a maximum of thirty seven and a half (37.5) hours at straight time hours per week until January 7, 2005. Commencing January 10, 2005 the Company will recognize the functions of



the President as justifiable paid time away from regular duties up to a maximum of twenty-four (24) straight time hours per week. The Company agrees that, should the number of bargaining unit employees rise above four-hundred and fifty (450), due to recall, or new hire, the President's position will revert back to a full time normal work week position. The Company agrees that the President and Vice President of the Union shall be assigned to the day shift, should the Union request the shift assignment.

7.06 A full-time Health and Safety Representative who has attained the status of "Certified Worker" (as defined by the Occupational Health and Safety Act of Ontario in effect on the date of this agreement, as a minimum standard) shall be appointed by the Local President. The Presidents shall advise the Human Resources Department in writing of the name of the appointed Health and Safety Representative. No Representative shall function as such until the Company has been so advised. This representative will be paid at their straight time rate for a normal work week until January 7, 2005. Commencing January 10, 2005 the Health and Safety Representative will be excused from their regular duties to attend health and safety meetings and perform health and safety functions as required. The Company agrees that, should the number of bargaining unit employees rise above four-hundred and fifty (450), due to recall, or new hire, the Union's Health and Safety Representative position will revert back to a full time normal work week position.

7.07 Shop committeepersons, Chief Stewards and Line Stewards shall exercise the privileges herein provided in such a manner as to promote good order and shop discipline, and with the least possible interference with the regular duties of their employment.

7.08 Until July 9, 2004 a full-time IAM benefits representative will be selected by the Union to work on IAM benefit issues and provide employees with information, support and direction to obtain various benefits and programme assistance. Commencing July 12, 2004 the Benefits Representative will be excused from their regular duties to attend joint benefit meetings and after receiving permission from their Supervisor will be permitted, at reasonable times during working hours, to leave their regular duties in order to investigate or settle any benefit related issue which may arise. The Company agrees that any such permission will not be unreasonably denied.

## HEALTH AND SAFETY

8.01 The Company shall maintain adequate sanitary arrangements, proper safety device and eliminate any condition of employment which is a hazard to the health and safety of the employee.

The joint Union Management Safety Committee shall remain pursuant to the Occupational Health and Safety Act of Ontario in effect on the date of this agreement, as a minimum standard. The Union shall name six (6) employees covered by this

Agreement to such Committee. The size of the Committee may be changed by mutual agreement of the parties. A meeting of the Committee shall be held at least once per month to discuss matters pertaining to the health and safety of the employees, to identify situation that may be a source of danger or hazard to employees and to make recommendation to management on health and safety matters. A Union member of the Committee, designated by the Union, will be permitted to conduct a safety inspection once per month and will also be informed of all lost time accidents affecting employees in the bargaining unit. Minutes of Committee meetings will be filed with the Union and a copy posted on the bulletin board. The Company shall also post the names of both Union and Company representatives of the joint Union-Management Safety Committee. The Joint Union Management Safety Committee will operate under the Operating Guidelines promulgated by the parties (see Supplement).

Union Committee members shall be paid at their regular or premium rate for such time away from their work for meetings and inspections provided for above.

A health and safety grievance may be initiated at Step 3 of the Grievance Procedure provided the matter in question has been considered and not resolved at the joint Union-Management Safety Committee meeting.

## GRIEVANCE PROCEDURE

9.01 A grievance may arise only from a dispute concerning the interpretation, application, administration, or alleged violation of this Agreement. In the event of a complaint by an employee, they shall take the matter up on an oral basis with their Supervisor within fourteen (14) calendar days of the event giving rise to the complaint. The fourteen (14) calendar day time limit shall apply from the day the event giving rise to the grievance becomes known by the grievor. The employee shall be accompanied by a Steward if they request such assistance. The Supervisor will reply to the complaint within three (3) working days. If the matter is not settled to the employee's satisfaction, the following procedure shall be adhered to:

### Step No. 1:

The employee or the Union Steward shall present the grievance in writing on the form provided, signed by the employee and a Steward, to the Supervisor within three (3) working days after the date of receiving the Supervisor's reply to the complaint. The employee shall have the assistance of their Steward. The Supervisor shall discuss the grievance with the Steward and the employee and give an answer or decision in writing within three (3) working days of the date upon which the grievance was received.

### Step No.2:

If the matter is not settled to the employee's satisfaction, the employee shall within

three (3) working days of the date of receiving the decision from the Supervisor or nominee, with the assistance of the Chief Steward, present the grievance in writing, on the form provided, to the appropriate Area or Department Manager. The Area or Department Manager or their nominee, will within three (3) working days, upon receipt of the grievance, answer the grievance in writing and return it to the Chief Steward.

#### Step No.3:

If the grievance is not settled at Step 2, the Shop Committee and the Business, Rep will, within five (5) working days of the day of receiving the decision of the Area or Department Manager or their nominee, take the grievance up with the Labour Relations Supervisor and/or Manager. The Human Resources Manager will within five (5) working days of the meeting, give a decision in writing. If the grievance is not settled at Step 3 the Union may refer the grievance to arbitration under Article 10.

9.02 Either the Union or the Company may file a policy grievance within ten (10) working days of the event giving rise to the grievance. The ten (10) working day time limit shall apply from the day the event giving rise to the grievance becomes known to either party. Any such grievance may be taken up beginning at Step No.3 in the case of a Union policy grievance, or with the Shop Committee in the case of a Company grievance.

If the grievance is not settled within five (5) working days after the date on which it was received by the Human Resources Manager or nominee, at Step No.3, then the Union may refer the grievance to arbitration under Article 10.

9.03 Any of the time limits in this Article or in Articles 10 or 11 may be extended by mutual agreement of the parties.

#### ARBITRATION

10.01 In the event that a grievance is not settled satisfactorily after it has been duly processed through the grievance procedure provided for in this Agreement, either party may, within and not after ten (10) working days, following the Union's next immediate regular Local Lodge meeting notify the other party in writing of its desire to submit the grievance to arbitration and such notice shall contain the name and address of the first party's appointee to an Arbitration Board. At the request of the Union, the Company will extend time limits up to an additional ten (10) working days; provided however, that in grievances having continuing financial liability, no such liability will accrue during these additional ten (10) working days. The recipient of such notice shall within ten (10) working days of its receipt, inform the other party in writing of the name and address of its appointee to the Arbitration Board. The two appointees so selected shall proceed to appoint a third person who shall be the Chairperson of the Arbitration Board. If the recipient of the notice fails to name an appointee or if the two appointees fail to agree upon a Chairperson within ten (10)

working days, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party. The Arbitration Board shall hear and determine the grievance and shall issue a decision and the decision is final and binding upon the parties and upon any employee affected by it. The decision of a majority, is the decision of the Arbitration Board but if there is no majority, the decision of the Chairperson governs. The Arbitration Board shall not have any authority to alter, modify 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 or inconsistent with the terms and conditions of this Agreement or in any way modify, add to or detract from any provision of this Agreement. Each of the parties to this Agreement will pay the fees and disbursements of its own appointee to the Arbitration Board and will share equally the fees and disbursements of the Chairperson.

Nothing in this article will prevent the parties from using the Single Arbitrator method pursuant to the Labour Relations Act.

10.02 Any question as to whether a matter is arbitrable may also be referred to arbitration under this Article by either party.

10.03 No matter may be submitted to arbitration which has not been properly carried through all previous steps of the Grievance Procedure. No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

#### DISCIPLINE/DISCHARGE CASES

11.01 (a) No seniority employee covered by this agreement shall be disciplined in any manner, demoted, suspended or discharged except for just cause.  
(b) An employee may only be disciplined in the presence of the employee's Steward or designated alternate, except when the Steward or designated alternate is not on the Company premises. Disciplinary action taken against an employee will be confirmed on appropriate forms with the distribution as follows:

1 copy to the employee  
1 copy to the Union President

An employee may only be discharged in the presence of the Local President or designated alternate. The discharged employee shall have the right to interview their Local President or their alternate for a reasonable time during working hours in a convenient place in the Plant.

In the event that an employee who has attained seniority is suspended as a disciplinary matter or is discharged and the employee claims that an injustice has been done, the employee may within three (3) working days after discharge or suspension file a grievance in writing at Step 3 of the grievance procedure.

The Company will notify the President or alternate if an employee voluntarily quits. In applying progressive or other discipline, verbal and written warnings and less severe disciplines will be purged from the employee's personnel file after twelve (12) months if the employee receives no additional disciplinary action, of a similar nature, during that period. More severe disciplines will be purged from the employee's personnel file after twenty-four (24) months if the employee receives no additional disciplinary actions, of a similar nature, during that period.

11.02 Where an employee grieves suspension or discharge and duly comes before an Arbitrator or Arbitration Board, the Arbitrator or Board may make a ruling:

- (a) Confirming the Company's action or
- (b) Reinstating the employee with full seniority and all rights and benefits, under the Agreement with compensation for all wages lost, or
- (c) Disposing of the grievance in any other manner which may be just and equitable.

## SENIORITY

12.01 An employee will be considered on probation, and will not be placed on a seniority list, until after the employee has worked for the Company for sixty (60) working days during a period of six (6) consecutive months. If at the option of the Company, the employee is retained for the aforementioned period, the employee's name shall be placed on a seniority list and seniority shall date from the date the employee last commenced work with the Company. Employees hired/recalled after January 10<sup>th</sup>, 2004, will be considered Tier II employees. Wages and benefits for Tier II employees are specified elsewhere within this agreement. In addition, all current employees as of January 10<sup>th</sup>, 2004 will always remain Tier I classified employees, regardless if any layoffs occur in the future.

12.02 In case of promotion, demotion (except as a disciplinary measure), layoff and recall from lay-off (except in the case of temporary lay-offs under Article 12.07) the following shall apply:

The employee with seniority shall be entitled to exercise plant-wide seniority (and in the case of lay-off to displace an employee with less seniority in the plant) provided the employee with seniority has the qualifications to do the work which is available.

12.03 Seniority lists and records shall be kept by the Company on a plant-wide basis and on a job classification basis as applicable. A copy of such seniority lists shall be forwarded to the Union. Such lists shall be prepared once every three (3) months where changes so warrant and in any event not less than once every six (6) months.

The Union will be notified of recall and hiring programmes.

- 12.04 An employee transferred from an hourly paid position to a salaried position shall be credited with seniority accrued in the bargaining unit at the time of transfer and will continue to accumulate up to one (1) year of salaried position seniority, during which time the employee may elect to return to the bargaining unit where there is a vacancy. After one (1) year all bargaining unit seniority will be forfeited.
- 12.05 When an employee is transferred (as defined in Article 12.02) from one job classification to another, seniority will be transferred.

In accordance with Appendix "G", Apprenticeship Agreement, for employees entering a trade after completing a Joint Apprenticeship programme the seniority date to be applied will be the date the employee enters their apprenticeship. Plant-wide seniority will be retained and applied for the purposes of vacation and any other benefits and/or should the employee revert to their previous classification in which their seniority is greater.

In the event there is no need for an additional employee in the classification, the apprentice who has successfully completed the apprenticeship and has become a licensed journeyman, will first exercise their date of entry seniority within the trade and then exercise their plant wide seniority towards a lower classification in which they are qualified. The apprenticed journeyman will retain recall rights to the apprenticed classification and will exercise their date of entry seniority as openings become available.

- 12.06 An employee shall lose seniority standing and their name shall be removed from the seniority list and employment terminated for any of the following reasons:
- (a) If the employee voluntarily quits the employer.
  - (b) If the employee is discharged for just cause and is not reinstated in accordance with the provisions of this Agreement.
  - (c) If an employee is absent without permission or does not contact the Company for more than three (3) consecutive days and fails to furnish satisfactory reason for such absence.
  - (d) If the employee has been laid off continuously for a period of more than twenty-four (24) consecutive months or length of service, whichever is greater. The following conditions will apply.

A registered letter will be sent to the employee on lay-off, regardless of length of service in the twenty-second (22) month to update employee recall rights.

- i. The employee must respond to the registered letter prior to the twenty-fourth (24) month.

- ii. Failure to respond to the registered letter will result in the employee being removed from the seniority list.
  - iii. Employees who respond will remain on the seniority list with recall rights up to their length of service.
- (e) If the employee is laid off and fails to report for work within two (2) weeks after they have been notified to do so by the Company, or fails within that time to furnish the Company with a satisfactory reason for not returning. Such notification will be sent by the Company by registered mail to the last address on record with the Company. The Union will receive a copy of such notice.
  - (f) All employees on lay-off status must keep Human Resources Department informed as to any change of address by registered mail or in person, if they wish to remain on the seniority list. A copy of the change in status shall be given to the Union.
  - (g) If an employee who is recalled to work fails to advise the Company within five (5) working days of notice that they intend to return to work, their name may be passed over and the next in line called, and if not returning fails thereafter to furnish the Company with a satisfactory reason within the period of time provided in (e) immediately above.
  - (h) If an employees' period of disability leave exceeds twenty-four (24) months or length of service, whichever is greater.

12.07 Lay-off may be put into effect without regard to seniority when a temporary lay-off is necessary, either due to a shortage of materials or assembly line changeover, or volume adjustment, or inventories so long as the lay-off does not extend beyond a period of three (3) working days. In any event, such lay-offs shall not exceed ten (10) working days in anyone (1) year of the contract to anyone (1) employee.

Where such lay-off is necessary, but does not affect all of a particular group of employees, probationary employees working in such a group shall be included among those laid off first. The Union will be provided with a list of employees on temporary lay-off.

The Company and Union may agree to increase the number of temporary lay-off days over and above those specified when business circumstances (i.e. volume requirements) warrant. It is understood that any agreement shall require the concurrence of the membership.

12.08 The Company agrees to notify the Shop Committee of a lay-off prior to the employee being notified of same. It is agreed that employees will receive five (5) working days notice of lay-off or pay in lieu thereof up to five (5) working days, and in abnormal cases where five (5) work days notice cannot be given, such as

partial or complete shutdown because of events beyond the control of the Company, fair and reasonable notice or pay in lieu thereof (minimum of two (2) days) will be given, by mutual agreement of the Company and the Union. This provision does not apply in the case of temporary lay-offs.

12.09 When it is necessary to reduce the work force in any Classification the following seniority provisions are effective:

- (a) Probationary employees in the affected job classifications will be laid off first (see Article 12.01).
- (b) Employees may elect lay-off out of the Plant. If so, employees' recall rights would be restricted to the classification from which they were laid off and classifications they had previously bumped including preferred classifications.
- (c) Then employees with the least amount of plant-wide seniority in the classifications affected will be laid off from the classification first and may exercise bumping right.
- (d) Then employees may elect to displace the least senior employee in the preferred lateral or lower rated classification that they are qualified to perform. All classifications previously held (on other than a temporary basis) may be pre-designated as preferred classifications (see Article 12.11) for purposes of recall and layoff. Employees who have previously held less than five classifications may pre-designate other lateral or lower rated classifications to provide a total number of at least five preferred classification. If an employee refuses to go to a preferred classification because of shift they will exercise seniority in Job Level 2.1 only, maintaining recall rights to their base and all preferred classifications (if previously held).

An employee who after being placed on one of their preferred classifications that they are qualified for and have seniority to hold, and is disqualified by the Company for inability to perform or disqualified themselves because of inability to meet job requirements, shall then exercise their rights in another preferred classification in line with their seniority. If they are then unable to meet the job requirements in the second preferred classification they shall then exercise seniority in Job Level 2.1 only.

- (e) Employees who have insufficient seniority to bump at the time of lay-off may select preferred classifications laterally or below their present classification that they are qualified to perform for recall purpose.

12.10 When it becomes necessary to increase the work force, employee will be recalled by classifications, senior employees first and will exercise recall rights in the following manner:



- (a) Employees must accept recall to a classification previously held.
- (b) Employees who accept recall to a preferred classification must accept recall to all preferred classification above current classification, or be laid-off with recall rights restricted to classification from which they were previously laid off.
- (c) Employees who reject recall to any preferred classification, the employee's recall rights will then be restricted to recall rights to classifications from which they were previously laid off.
- (d) Notwithstanding the provisions of this Article to the contrary, an employee shall not be recalled to a preferred classification not previously held if there is an employee with greater seniority who can qualify for the opening under the provisions of Article 12.16 (Job Posting).

12.11 In order to exercise seniority for lay-off or recall purposes, an employee is required to have such preference on file in the Human Resources Office as of the posting of notification of reduction in force and such preference may not be changed until after the effective date of the reduction in force. The Union shall be entitled to a copy of all preference sheets and/or have the ability to print the report.

12.12 The Company may grant Leave of Absence, with accumulated seniority, without pay, to an employee for legitimate personal reasons, with special provisions, as follows:

- (a) Up to a period of one (1) year for an employee with less than three (3) years seniority.
- (b) Up to a period of two (2) years for an employee with more than three (3) years seniority.
- (c) Maternity Leave of Absence shall be granted without pay and disability benefits, beginning up to seventeen (17) weeks prior to the expected delivery date and continuing for a period up to twelve (12) months. The Company may grant additional Leave of Absence without pay and without disability benefits under the provision of paragraph (a) or (b) above upon written request by the employee. Five (5) working days' notice of intent to return to work must be given by the employee, when granted Leave of Absence in excess of two (2) months.

NOTE: Where there is a related disability (See 18.01).

In the event any employee feels they have been denied a Leave of Absence unjustly, they may resort to the grievance procedure.

- (d) Parental Leave of Absence shall be granted without pay or disability benefits, provided a written request is submitted two (2) weeks prior to the

commencement of the Leave. Such Leaves will be granted in accordance with the provisions as set forth in the Employment Standards Act of Ontario.

(e) No leave will be granted for the purpose of alternate employment during the leave period.

(f) For leaves two (2) week or less, the Company will continue benefits.

12.13 The Company will grant leave of absence without pay to not more than four (4) employees for not more than four (4) weeks cumulative for each employee, per year, for the purpose of attending to Union business or Union conventions provided such leave of absence does not interfere with the Company's operation.

12.14 The Company shall grant leave of absence without pay for any employee to serve as a full time employee of the District Lodge or Grand Lodge of the International Association of Machinists and Aerospace Workers. Such employees must renew their leave of absence yearly.

12.15 In the event of any lay-off, other than temporary lay-off, elected representatives of the Union, namely, President, Vice-President, Recording Secretary, Financial Secretary and Chief Stewards shall be retained in the employ of the Company, during their current respective terms of office in the Union, notwithstanding their position on the seniority list, provided the Company has work available which they are qualified and willing to perform.

12.16 (a) The Company agrees to post all original job vacancies plus any additional vacancies created by a subsequent promotion or transfer for two (2) working days on all shifts before filling such vacancies. No posting will be made in the case of temporary transfers of thirty (30) day, or less after discussion with the Union. No temporary transfer may be extended beyond forty-five (45) days without the written mutual consent of the Shop Committee and the HR Department. No posting will be made for Grade 2.1 except prior to the hiring of permanent full time employees.

(b) Vacancies will include; where there is a change within a classification which does not affect all employees in the said classification; such change will be job posted.

The Company and the Union agree on the need to evaluate employees' skill levels in order to determine their training needs.

For internal classification postings, the Company and the Union have agreed to mutually identify job classifications in which skill factors will be tested or whether external certification is required. The Company and the Union mutually agree to develop and coordinate tests as a means to do this if external certification is not required. The contents of the tests must be mutually agreed to

prior to any test application.

The test results will remain valid for ninety (90) days from the date the test is administered. If a vacancy for a tested position occurs within this period, the vacancy will be filled with the next successful applicant.

- (c) An employee who wishes to apply for any posted vacancy must submit a correctly completed application in writing to the official of the Company named in the notice and notwithstanding Article 12.02, only such applicants shall be considered for a posted vacancy.
- (d) Consideration will be given to the seniority standing, and to the qualifications (including testing and/or certification if applicable), of the applicant to do the work before a new employee is hired. Experience gained in a classification because of a temporary transfer will not be used in assessing the ability factor of the applicant. Unsuccessful applicants will be advised by the Company of the reason.
- (e) On their shift, the successful applicant in the presence of the Chief Steward shall be shown and explained the various duties of the classification. The Company will provide the Chief Steward with relevant seniority standing and any available shift information to assist the applicant with their decision to let their name stand for the vacancy. The successful applicant shall then sign if their name is to stand for the vacancy.
- (f) An employee who is the successful applicant to a vacancy in a higher or lateral job level classification shall not be eligible to apply for any vacancy for a period of three (3) months.
- (g) An employee who is the successful applicant to a lower job level classification or from the date the employee is withdrawn from a classification, for reasons other than a reduction in the classification, shall not be eligible to submit another application for a period of six (6) months.
- (h) An employee who is notified they are the successful applicant may decline to fill the vacancy prior to acceptance. Once the employee is placed and subsequently disqualifies themselves they will exercise their seniority in Job Level 2.1.

12.17 Seniority shall be considered in the assignment of employees to shifts. The Company maintains sole authority to initially assign employees to any department on the shift the employee has seniority to hold. When the Company deems it necessary to reassign employees within a shift, due consideration will initially be given to seniority and volunteers in the assignment of positions within a classification. However, the Company will also consider operational productivity, and the health and welfare of employees in the assignment of positions. Since it is recognized that it is impossible to operate the facility with all of the senior

employees on one shift, seniority cannot be the only factor in shift assignment.

Employees placed on a shift through posting or hire to it and who have been on the shift for six (6) consecutive months may apply for a shift transfer. Such application shall be in writing and will be considered active for six (6) months. When a vacancy (other than temporary) occurs in a classification and there are active shift transfer applications on file in the classification, the applicant with the greatest seniority in the classification will be given preference to transfer to the shift on which the vacancy exists. If an employee has not transferred to the shift of their choice within sixty (60) calendar days of their shift transfer request, they will exercise their seniority against the junior employee in their classification on the shift of their choice. An employee transferred under this Section may not apply for another shift transfer for one (1) year from the date of such transfer.

The requirement that an employee must be on a shift for six (6) consecutive months before applying for shift transfer shall not be applicable in the case of an employee who is transferred to another shift involuntarily as the result of reduction in force or recall. In such cases an employee will be moved to the shift of their choice as openings occur in their classification in line with their seniority.

When the Company is implementing a change in the workforce, notice of this change shall be posted for 2 working days on all shifts and employees shall be required to update or submit their shift transfer requests to Human Resources. Any requests submitted after the notice is taken down shall not be considered until after the effective date of the change in the workforce and will be processed in accordance with Article 12.17.

12.18 No employee may work on any shift other than the shift so assigned in line with their seniority and shift preference for a period longer than ninety (90) calendar days for the purpose of receiving training. Any extension to this time frame must be approved by mutual agreement between the Company and Union.

12.19 It is the employee's responsibility to keep the Human Resources Department informed of their current address and telephone number.

#### Layoff Procedure

12.20 (a) The Company will follow the provisions of the Employment Standards Act with regard to layoff, however, where practicable the Company will endeavour to give a minimum of sixty (60) days notice.

(b) Employees with the greater seniority will be offered the opportunity to voluntarily accept layoff, as it becomes necessary to reduce the workforce in any classification and receive all applicable entitlements specified in this agreement. The Company will cooperate in dealing with HRDC to ensure no loss of EI eligibility for layoff out of seniority.

- (c) Once notice of permanent layoff has been given in writing, an employee who has an opportunity for alternate employment prior to his/her separation date will be entitled to all applicable severance and Pension benefits specified in this agreement provided he/she gives two (2) weeks notice.

#### Severance Pay

- 12.21 (a) In the event of a permanent layoff due to permanent discontinuance of all or a significant part of the Company's business, all employees will receive 3 weeks of pay for each completed year of service, or part thereof (full month), including service with the previous employer, to a maximum of 65 weeks of pay. This amount includes any entitlements to severance pay employees may have under Ontario's Employment Standards Act, as amended.
- (b) Notwithstanding part (a) above, employees who are permanently laid off due to the permanent discontinuance of all or a significant part of the Company's business and are immediately eligible for an unreduced pension will receive 1 week of pay for each completed year of service, or part thereof (full month), to a maximum of 26 weeks of pay and any entitlements to pay in lieu of notice they may have under Ontario's Employment Standards Act, as amended.
  - (c) In the event of a permanent layoff as a result of the normal course of business or a downturn in the economy, all affected employees will receive any entitlements to notice and severance pay they may have under Ontario's Employment Standards Act, as amended.

#### Adjustment Committee

12.22 In the event of plant closure the Company agrees to the following:

- (a) The Company will agree to set-up an Adjustment Committee.
- (b) The Company will contribute up to \$250.00 per bargaining unit employee to fund mutually agreed upon Adjustment Committee activities.
- (c) An Adjustment committee will be formed with the appropriate Ministry, and shall be comprised of 3 Union and 3 Company representatives. Such Committee will be created as soon as practicable.
- (d) The Company will provide all office and equipment onsite as long as the facility remains open for the Adjustment Committee use.
- (e) In addition the Company will use its best efforts and business contacts to attempt to secure employment with other employers for all employees who wish to be re-employed. Opportunities which are identified, will be disclosed to the joint committee in order that it may act expeditiously to have the jobs filled by

Autoliv employees.

- (f) Employees will be granted time off without pay to attend job interviews. A prior notice of (24) twenty-four hours must be given to the Company. Time off must be mutually agreed to by the Supervisor and the employee.

#### Tuition and Retraining Expenses

12.23 In addition to the costs associated with courses identified under the CAC mandate, the Company will reimburse an active employee up to \$1,500 for the lifetime of the collective agreement, towards Company approved certified skills upgrade courses. Payment will be made upon proof of payment and successful completion.

#### POSTING NOTICES

13.01 The Union shall have the privilege of having its notices posted at specified places on the Company's premises. The Company shall supply two (2) bulletin boards for that purpose. The Company maintains the right to remove notices or postings that it, reasonably deems to be inappropriate.

#### HOURS OF WORK

14.01 The normal hours of work shall be thirty seven and one half (37.5) per week, being seven and one half (7.5) hours per day, except as defined in Appendix F, 'Alternate Work Schedules'. Until further notice, the lunch period shall be unpaid and shall be one-half (1/2) hour in duration.

Unless otherwise changed by mutual consent: The normal starting time of the day shift shall be 7:00 a.m. and the quitting time 3:00 p.m. The normal starting time of the afternoon shift will be 3:00 p.m. The normal starting time of the midnight shift will be 11:00 p.m.

14.02 A separately calculated amount of one dollar (\$1.25) shall be paid for all hours worked on the first shift (midnights) and on the third shift (afternoons), and on the 'alternate shift' described in Appendix F.

14.03 The Company does not guarantee to provide employment or work for normal hours or for any other hours.

14.04 Except as described in Appendix F,

Time and a half (1.5x) shall be paid in the following situations:

- 1) Any hours worked on Monday to Friday over a normal shift (providing a full shift is worked)
- 2) The first five (5) hours of a Saturday shift

\*Note: Hours worked by afternoon shift employees who stay late on Friday into Saturday shall be assumed to be worked on Friday.

Double time (2x) shall be paid in the following situations:

- 1) Any hours worked over 12 hours between Monday and Friday
- 2) Any hours worked over 5 hours on a Saturday
- 3) Any hours worked by any employee between 11pm Saturday and 11pm Sunday
  - Note: For Midnight shift only, hours worked by a midnight shift employee who comes in early on their Sunday (prior to 11:00pm Saturday) will be paid double time for hours prior to 11:00pm, provided a complete Sunday shift is worked. For greater clarity hours worked prior to 11:00pm Saturday will be attached to a Sunday, provided a complete Sunday shift is worked.

14.05 (a) An Employee who is required to work on a Saturday which is not part of a regular weekly schedule of hours shall be paid for the first five (5) hours worked on such a day at the rate of time and one-half (1 1/2). Work in excess, of five (5) hours shall be paid for at the rate of double time.

(b) If a Saturday is worked in lieu of a normal work day, then such Saturday becomes a normal work day at straight time. In the event that work is required on the day for which the Saturday has been worked, hours worked on this day will be paid for as per 14.05 (a), except as described in Appendix F.

(c) When a Saturday is a statutory holiday and an alternate day is declared in lieu of the Saturday holiday, then such Saturday will become a normal Saturday paid for as per 14.05 (a) and the declared day become, the official statutory holiday.

14.06 An employee who is required to work on a Sunday, which is not part of a regular weekly schedule of hours, or on a day that is recognized by the Company as a statutory holiday shall be paid for all hours worked on such days at double time in addition to any holiday pay which they may otherwise be entitled, except a, described in Appendix F.

14.07 An overtime premium paid for any hour excludes that hour from consideration for overtime premium on any other basis, thus eliminating the pyramiding of overtime premium.

14.08 A minimum of four (4) hour's pay at basic straight time hourly rates shall be paid to an employee who reports for work at the beginning of a normal work shift, whether or not work is made available, unless the circumstance are beyond the Company's control, including such circumstances as fires, breakdown, or power failure, except as defined in Appendix F.

14.09 An employee who is called back to work where no previous arrangements for overtime were made, after they have left the premises on a normal working day, or when called on a Saturday, Sunday, which is not part of a regular weekly schedule of hours, or holiday, without previous notice, shall receive a minimum of four (4) hours pay at the appropriate overtime rate.

14.10 When an employee is required to work overtime in excess of two (2) hours in any one day immediately after completion of their shift without prior notice, a meal ticket of five dollars (\$5.00) shall be provided and shall expire after one (1) weeks time.

NOTE: An employee shall be deemed to have received "Prior Notice" if notified prior to the end of the last hour worked on the previous day.

14.11(a)

(i) Within the defined overtime sharing group overtime shall be equitably distributed amongst the employees within the shift, within the classification and as is practicable between the shifts. Defined groups shall be determined and agreed upon and shall remain fixed except in the case of new products, launches, or significant changes in operations in which case the overtime group shall be mutually agreed upon. (See Appendix H for an example of overtime groups).

(ii) Employees shall not be entitled to more hours of overtime than the length of the scheduled overtime shift.

(b) The Company will distribute overtime among shifts to the extent practicable.

(c) It is the Company's intention that daily hours worked for each defined group shall be maintained and made available daily, by posting, for inspection by employees in the defined group.

Overtime records for each defined group shall be maintained and made available weekly (Thursday), by posting, for inspection by employees.

The Union will be provided with a copy of a plant-wide overtime report on a weekly basis on Tuesday of each week.

The Union understands and agrees that currently the system can not provide said reports by the stated times and agrees that some time may be needed by the Company in order to facilitate the agreed to times.

(d) The Line Steward and Supervisor will review the defined group's overtime records on a weekly basis.

(e) Overtime hours made available whether worked or declined, will be recorded as follows:



- (i) Overtime for which time and one-half is payable shall be recorded at one and one-half times the number of hours made available.
- (ii) Overtime for which double time is payable shall be recorded at two times the number of hours made available.
- (f) An employee not at work for any reason when overtime is made available shall have the time charged as though worked, excluding instances when an employee has not been asked to work overtime and additional overtime is made available either on or after the shift. Employees who accept overtime and do not report to work will be considered absent.
- (g) A new hire, rehire or reinstated employee, or an employee transferred to another group will assume hours equal to the average hours within their classification, within their shift, within their overtime sharing group. However, an employee moving to all other shift within the same overtime sharing group shall carry their current accumulated overtime hours with them.
- (h) An employee will be charged for overtime hours worked or refused in another group.
- (i) At the beginning of each calendar year, overtime hours charged to employees shall be balanced, that is, the same classification and group shall have their hours reduced so that the same balance of hours between the lowest and highest hourly employee is maintained.
- (j) Should the Union allege that there has not been a fair and equitable distribution of overtime among employees within their defined group, and such allegation is substantiated, the Company shall have forty-five (45) days to remedy the matter by providing make-up opportunities (providing overtime is available). Should the Company fail to do so, the Union may pursue the matter in the grievance procedure.
- (k) When the employees' job duties have been modified to conform with temporary or permanent restriction(s), the employees assigned to such job duties will only be able to work overtime on the job(s) they have received medical clearance to perform as long as that medical clearance provides for at least a normal work week in accordance with article 14.01.

Where such employees perform a modified job(s) within their normal job classification to conform with temporary or permanent restriction(s), such employees shall be entitled to overtime equalization within the job classification and sharing group of the job(s) they are performing in accordance with Article 14.11 (a), provided that the job(s) they perform during their regular shift will be performed on overtime.

Where such employees performed a modified job(s) in a classification outside of their normal job classification to conform with temporary or permanent restriction(s), such employees shall be entitled to overtime equalization within the job classification and sharing group of the job(s) they are performing in accordance with Article 14.11 (a), provided that the job(s) they perform during their regular shift will be performed on overtime.

When the employees resume their normal job without modifications, such employees will assume the average hours of their overtime sharing group in accordance with Article 14.11 (g). Employees performing modified jobs shall not be considered "the employee with the lowest hours" for the purposes of Article 14.11 (i). The employees performing modified duties with fewer overtime hours charged than "the employee with the lowest hours" for the purposes of Article 14.11 (i) shall also have their hours revert to zero. The hours of employees performing modified duties shall not be included in determining the average hours of an overtime sharing group for the purposes of Article 14.11 (g). The Company shall attempt to remedy an inequitable distribution of overtime to employees performing modified jobs by continuing to offer available overtime opportunities to the employees performing modified jobs in accordance with Article 14.11 (k). The time limit and the Union's right to pursue the matter of remedy in the grievance procedure under Article 14.11 (j) are not applicable in respect of a claim of inequitable distribution of overtime in respect of employees performing modified work as compared to employees performing jobs without modifications where the inequitable distribution of overtime arises from the application of Article 14.11 (k).

- (l) In cases where there are both Saturday and Sunday overtime scheduled, and an employee is unable to work one of the days, the employee shall be entitled to work on the remaining day.
- (m) The Company agrees that it is their intention that the Union will be provided weekly with a separate list of any and all employees who work more than sixty (60) hours in any one week, and the amount of hours worked. The Union understands and agrees that this may require some time for the Company to ensure the capability of their hour tracking system.

## SPECIAL ALLOWANCES

- 15.01 There shall be two (2) ten minute rest periods during each working day being one (1) in the forenoon and one (1) in the afternoon. An additional ten (10) minute rest period will be granted at the end of a normal work shift when overtime to be worked is two (2) hours. Further breaks of ten (10) minutes will be granted at two (2) hour intervals.

## Jury Duty / Crown Witness / Citizenship

15.02 The Company will pay to an employee who is called for Jury Duty or as a Crown Witness and is notified subsequent to employment, the difference between payment received for such Jury Duty or Crown Witness and the payment they would have received for a normal straight shift. The Company will make differential payment only on documentary proof of call to and/or performance of Jury Duty and Crown Witness and the payment received. An employee working on the afternoon or midnight shift will not be required to work any part of their shift if they are called for Jury Duty or as a Crown Witness during the day shift.

On a one-time basis, the Company will pay an employee up to four (4) hours at basic straight time hourly rate of pay for the purpose of obtaining Citizenship papers with provision of documentary proof.

## Bereavement Compensation:

15.03 The Company will grant an employee four (4) days leave of absence with pay at basic straight time hourly rates for time lost to make arrangements and/or attend the funeral of wife, husband, mother, father, daughter, son, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, grandparents, grandparent-in-law, son-in-law, daughter-in-law and grandchildren.

## Voluntary Reserve Military Leave:

15.04 The Company will pay to an employee who volunteers for Military Leave with the Canadian Armed Forces Reserve, the difference between payment received for such Military Leave and the payment they would have received for normal straight time hours they were required to miss from a regular work schedule, up to a maximum of three (3) weeks in any twelve (12) month period. The Company will make payment on the documentary proof of the payment received for such Voluntary Military leave.

## PAID HOLIDAYS

16.01 The following holidays will be recognized by the Company:

New Years Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	
Civic Holiday	

The Company agrees to provide paid holidays to ensure an unbroken period of time off between Christmas Eve Day and New Year's Day.

16.02 The Company will pay an employee, if they have worked on the shift immediately preceding and the shift immediately following the holiday, for the number of normal shift hours ordinarily worked on the day the holiday is observed at the employee's basic straight time hourly rate of pay. When a statutory holiday falls on a Saturday or Sunday the Company will authorize the Friday preceding or the Monday after, as a non-working day, except as described in Appendix F.

16.03 In the event that a paid holiday occurs during an employee's vacation period, they shall be paid for the holiday in addition to vacation pay, provided they have worked on the shift immediately preceding and on the shift immediately following vacation. The day for the holiday must be taken immediately prior to or following the vacation period.

16.04 Proven illness or approved leave of absence, of three (3) weeks or less, will be accepted as legitimate reason for absence prior to or after a paid holiday provided that the employee is at work one (1) day within a range of twenty-two (22) working days of the declared holiday.

It is expressly understood that an employee who qualifies for holiday pay shall not be eligible for Accident and Sickness payment for the day(s) that are paid as holidays.

16.05 An employee being terminated for any reason other than quit or discharge will be paid for a holiday that immediately follows the last day worked.

## VACATIONS

17.01 For the purposes of calculating vacations, the fiscal year shall be the first working day following July 1<sup>st</sup> of any year, to June 30th of the following year.

17.02 An employee with less than twelve (12) month's service at June 30th, shall receive 4% of total earnings during the preceding twelve (12) months.

17.03 Employees who have completed one (1) or more years of continuous employment with the Company on June 30th of any year shall be entitled to two (2) weeks vacation with pay equal to two normal work weeks at the employee's basic straight time hourly rate of pay, or four percent (4%) of their respective total earnings, whichever is greater.

17.04 Employees who have completed five (5) or more years of continuous employment with the Company, on or before December 31st of that year, shall be entitled to three (3) weeks' vacation with pay equal to three normal work weeks at the employee's basic straight time hourly rate of pay.

- 17.05 Employees who have completed ten (10) years of continuous employment with the Company on or before December 31st of that year, shall be entitled to four (4) weeks' vacation with pay equal to four normal work weeks' at the employee's basic straight time hourly rate of pay.
- 17.06 Employees who have completed twenty (20) years of continuous employment with the Company on or before December 31st of that year, shall be entitled to five (5) weeks' vacation with pay equal to five normal work weeks at the employee's basic straight time hourly rate of pay.
- 17.07 Vacation entitlement must be taken within the current vacation period (as defined in 17.01).
- 17.08 Vacation pay to which an employee is entitled under the provisions of this agreement shall be paid prior to the employees' duly authorized vacation provided that the Company has been notified of such vacation at least one week in advance. Vacation pay shall be based on the employee's basic straight hourly rate of pay in effect at the time the vacation is taken. In the case of an employee not actively at work but eligible for vacation payment, such payment shall be based on the employee's basic straight time hourly rate in effect on the employee's last day worked.
- 17.09 The Company recognizes the desire of its employees to have a vacation shutdown period as opposed to a staggered vacation schedule. If a vacation shutdown period is scheduled it will be between the first week in July and the last week in August. The Union will be notified of the Company's plans prior to any vacation shutdown notice. Such notice shall be posted by April 1<sup>st</sup>.
- 17.10 The Company will make every effort to complete the scheduling of employee's vacations by April 1<sup>st</sup>.

## HEALTH AND WELFARE

- 18.01 The Company will provide a Health and Welfare program which will include:

OHIP for Employees and Dependents - Company Paid.

Group Major Medical Insurance - Company paid for employees and dependents under 21 years of age or under 25 years of age, provided they are a full-time student.

Weekly Indemnity -As per Appendix "B".

Long Term Disability -As per Appendix "B"

Life Insurance -As per Appendix "B".

For an outline of coverages for Major Medical, see Appendix "C". Weekly Indemnity Coverage to include Miscarriage and Tubal Ligation, and Pregnancy related disabilities. For an outline of The Retirement Plan for Hourly Rated Employees of Autoliv Electronics Canada Inc., see Appendix "D".  
The Company will continue the life insurance policy in effect with the carrier for all active employees until their permanent separation date.

## WAGE RATES AND JOB CLASSIFICATIONS

19.01 The job classifications and hourly wage rates applicable thereto shall be as set forth in Appendix "A" which is attached hereto and forms apart of this Collective Agreement.

19.02 Cost of Living Adjustment based on the Consumer Price Index (Canada) 1961 = 100, as published by Statistics Canada will be made effective for employees in the Bargaining Unit on the dates indicated for the following two measurement periods; and using the formula as described for each period. As of May 24, 1976, based on the change in the Index from May, 1975 to April, 1976, the wage adjustment will be based on one cent for each .45 change in the index but in no event will the adjustment be more than nor less than .20 cents.

The Cost of Living Allowance will be calculated by multiplying the allowance by the number of hours worked and will be included in the calculation for overtime premium, vacation pay, paid holidays, and other paid absences in accordance with the applicable sections of the Agreement.

NOTE: The above Cost of Living clause will remain as part of the current Collective Agreement, with no credits for the duration of this Agreement.

19.03 Should the Company establish a new job classification as the result of new work requirements or substantial changes in the job content of existing classifications the union will be notified in writing. Should the union disagree with the job classification assigned by the Company, a work assignment review may be requested. If the Company and Union representatives on the review committee are unable to reach an agreement within thirty (30) working days, the matter may be submitted to the third step of the Grievance Procedure.

Prior to the grievance being submitted to arbitration, the Human Resources Manager and the Business Representative shall meet in the fourth step and clearly define the nature and scope of the work under dispute. The Board of Arbitration shall have the authority to decide the following:

1. Whether the changes in the duties and responsibilities of the work under protest warrant a change in job classification.
2. If a change in job classification is warranted, the Board of Arbitration will

determine whether the work falls within an existing classification.

3. If the work does not fall within an existing classification, the work will be designated within the existing job rate levels.

NOTE: It is understood that the request for work assignment review will constitute the date from which any wage adjustments will be effective.

19.04 Effective January 10<sup>th</sup>, 2004, the starting rate for all newly hired or recalled employees shall be as per appendix "A" Tier II.

19.05 Base wage rates will be as per Appendix "A".

19.06 Gain Share

Effective January 10<sup>th</sup> 2004, all active employees will receive between 0% to 3% lump sum, in addition to their base wage, payable on a quarterly basis, providing that plant performance, and quality metrics are met on a monthly basis.

The Gain Share percentage range is based on the plant meeting attainment objectives for two (2) separate areas and overall plant sales returns quality metrics. The Company will establish these metrics and set objectives on a yearly basis.

The 3% objective will be divided into three separate sub-objectives:

- 1) Achieving a sales return quality objective will pay 1%
- 2) Achieving 100% or more of attainment objectives for area one (1) will result in a maximum payment of 1%. Achieving less than 100% but greater than or equal to 93% of attainment objectives will result in a maximum payment of ½%. Achieving less than 93% of attainment objectives will result in no payment for this objective.
- 3) Achieving 100% or more of attainment objectives for area two (2) will result in a maximum payment of 1%. Achieving less than 100% but greater than or equal to 93% of attainment objectives will result in a maximum payment of ½%. Achieving less than 93% of attainment objectives will result in no payment for this objective.

#### DURATION OF AGREEMENT:

20.01 This Collective Agreement becomes effective the 10th day of January, 2004 and shall continue in effect until the 12<sup>th</sup> day of January, 2007, and shall thereafter continue from year to year unless either party gives notice in writing of its intention to terminate this Agreement or to enter into negotiations for the purpose of amending this Agreement within a period of not less than thirty (30) days and not more than ninety (90) days prior to any such yearly date of termination.

IN WITNESS WHEREOF the parties have executed this Agreement this 9th day of January, 2004.

FOR THE COMPANY

FOR THE UNION

\_\_\_\_\_  
P. TUCKER

\_\_\_\_\_  
P. MITCHELL

\_\_\_\_\_  
F. ZOIA

\_\_\_\_\_  
J. CHANAS

\_\_\_\_\_  
M. ROCHE

\_\_\_\_\_  
K. DELISLE

\_\_\_\_\_  
T. DIMITROPOULOS

\_\_\_\_\_  
T. BALAAM

\_\_\_\_\_  
G. BUCH



APPENDIX "A"  
JOB CLASSIFICATIONS APPLIED TO JOB LEVELS

<u>JOB LEVEL</u>	<u>JOB CLASSIFICATIONS</u>
2.1	ASSEMBLER/INSPECTOR
5.1	JANITOR/MATRON
7.2	MACHINE OPERATOR I
7.3	LABOURER
10.1	MATERIAL HANDLER
12.5	UTILITY
14.1	INSPECTOR. GRADE I
14.2	MACHINE OPERATOR II
14.3	REPAIRER
14.4	STOCKKEEPER/RECEIVER/SHIPPER TOOL CRIB ATTENDANT
14.5	PRODUCT AREA STATISTICIAN
15.1	MECHANICAL MAINTENANCE
15.2	FACILITY MAINTENANCE
16.2	TRAINER
17.1	TROUBLESHOOTER
19.3	QUALITY TECHNICIAN
20.0	APPRENTICE
20.1	TOOL MAKER/MACHINIST
20.2	ELECTRICIAN
20.3	TEST EQUIPMENT TECHNICIAN
20.4	COMPUTER SYSTEMS TECHNOLOGIST
20.5	LIFT TRUCK MECHANIC
20.6	PLUMBER
20.7	INDUSTRIAL MECHANIC

GROUP LEADERS: 25 cents per hour above employee's current level of pay,

UNION OFFICERS: The President, Health & Safety Representative, Benefits Representative will be paid at not less than the 19 Job Level Rate or at the highest job rate he/she is qualified to perform, for as long as he/she holds the position.

Note: The Benefit Representative shall only receive the guaranteed rate until the expiration date listed in Art. 7.08

APPENDIX "A"  
(CONTINUED)  
MAXIMUM JOB LEVEL RATE SCHEDULE

<u>Job Level</u>	<u>TIER I</u>	<u>TIER II</u>		
	<u>2004-2006</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
2	\$18.99	\$11.99	\$12.23	\$12.43
5	\$19.63	\$12.63	\$12.88	\$13.44
7	\$20.19	\$13.99	\$14.27	\$14.56
10	\$21.63	\$14.63	\$14.92	\$15.22
12	\$21.63	\$14.63	\$14.92	\$15.22
14	\$22.57	\$15.57	\$15.88	\$16.20
15	\$22.88	\$15.88	\$16.20	\$16.52
16	\$23.48	\$16.48	\$16.81	\$17.15
17	\$24.46	\$17.46	\$17.81	\$18.17
19	\$25.19	\$18.19	\$18.55	\$18.92
20	\$28.08	\$21.08	\$21.50	\$21.93

Note: See Appendix "G" for the Apprentice Rates.

Gain Share will be payable on a quarterly basis on an employee's base wage, providing that plant wide quality and delivery metrics as per article 19.06 are met on a monthly basis. Calculation of payment will be based on hours worked up to 37.5 hours per week. Overtime will not be used in the calculation of Gain Share payment.

Skill Premium: \$1.40 per hour worked above 20.3 and 20.7 current level of pay.

In lieu of a wage increase;

All active Tier 1 employees, upon ratification of the current collective agreement, will receive a lump sum payment of \$1400.00.

Effective January 7, 2005 all active Tier I employees will receive a lump sum payment of \$1400.00.

Effective January 6, 2006 all active Tier I employees will receive a lump sum payment of \$1400.00.

Payments are subject to all applicable taxes.

APPENDIX "A"  
(CONTINUED)

New Classification 20.4

The purpose of this language is to ensure that employees in this classification are well equipped to deal with advances in information technology. All employees will be offered tuition refund for successful completion of company approved certified courses designed to achieve a Certified Engineering Technologist designation in Information Systems. The intent of this schedule is to populate the 20.4 Systems Technologist classification starting June 30, 2005, as openings arise. This will allow interested employees to achieve the required certification for the 20.4 classifications. The CAC (Certification Advisory Committee) may mutually agree to extend this date, should the CAC deem it necessary to ensure appropriate time for employees to achieve the certification.

This new classification will be populated according to the Collective Agreement providing that there are requirements for this position.

New Skill Premium

The purpose of this language is to ensure that employees are well equipped to deal with advances in technology.

The intent of this skill premium is that employees, who attain the qualifications as set forth in this agreement, may perform the functions of both the 20.3 and 20.7 classifications.

Electro-Mechanical Technician skill premiums will be determined as follows:

Current employees who have seniority to hold the 20.3 or 20.7 classification and who provide proof of completion of 12 relevant post secondary courses as identified by the CAC (Certification Advisory Committee) will immediately be paid the new skill premium.

Current employees who have recall rights to the 20.3 or 20.7 classification and who provide proof of completion of 12 relevant post secondary courses identified by the CAC (Certification Advisory Committee) will be eligible for the premium as openings occur within the 20.3, or 20.7 classifications.

Current employees who do not hold, or do not have recall rights to, the 20.3 or 20.7 classification will be required to achieve a Certified Technician (Ctech) or Certified Engineering Technologist (CET) in Industrial Maintenance or Mechanical/Electronic Maintenance to be eligible to post to any future openings within the 20.3 classification, or to an apprenticeship within the 20.7 classification as spelled out in appendix "G".

Should an employee, as noted above, successfully post to an opening within the 20.3 classification, or to an apprenticeship within the 20.7 classification, then said employee's seniority, within the relevant classification, shall be the date they commence work as a

20.3, or the date they commence their apprenticeship as outlined in Appendix “G”.

Newly hired employees, who have a Certified Technician (Ctech) or Certified Engineering Technologist (CET) designation in Industrial Maintenance and/or Mechanical/Electronic Maintenance, shall be placed into the 20.3 classification.

For the purpose of bumping, layoff and for other seniority provisions the relevant articles within the Collective Agreement shall govern.

The intent of this article is that no employee, currently holding, or retaining recall rights to the 20.3, or 20.7 classification, shall be laid off as a direct and immediate result of this language or the hiring of employees into the 20.3 classification with the certification defined above.

All active employees will be offered tuition refund for successful completion of CAC approved certified courses, in addition to the amount specified in Article 12.23 .

APPENDIX “B”  
LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT  
COVERAGE

Company paid life insurance of \$50,000 for regular full-time employees.  
The Company will continue the life insurance policy in effect with the carrier for all active employees until their permanent separation date.  
Retirees will continue to have their life insurance plan paid by the Company.

Company paid accidental death and dismemberment insurance of \$50,000 for regular full-time employees.

The Company will establish an employee paid optional life insurance plan up to a maximum of \$100,000 (Details below.)

Weekly Accident and Sickness Duration:

Payment for first (1st) day accident or hospitalization, or medically necessary day surgery (excludes elective surgery).

Payment from fourth (4th) day Sickness (twenty-fifth (25th) regularly scheduled paid hour for AWS employees) on the condition that the employee has seen their treating physician by the fourth day of sickness (twenty-fifth (25th) regularly scheduled paid hour for AWS employees), and that physician has completed the required application forms for A & S benefits per the Maritime Life Group policy in effect.

Thirty-nine (39) weeks duration for each separate disability. Employees working on the ‘alternate shift’ described in Appendix F shall have Maritime Life eligibility calculated in accordance with Appendix F, section 3 (Hours Paid).

Amount of Payments:

For the duration of this agreement, the Company will maintain the level of payments equal to 60% of weekly earnings (base rate multiplied by their regularly scheduled hours per week).

Long Term Disability Plan:

Eligibility-Begins after the expiration of Accident and Sickness Benefits and during a continuous period of disability when an employee is totally disabled and therefore, unable to be gainfully employed by reason of the disability.

Benefit The benefit is equivalent to 60% of base wage on last day worked when integrated with Canada Pension Benefits and WSIB benefits.

Maximum benefit cannot exceed 60% of base wage, including benefits from other Company-sponsored plans, Canada Pension Plan and WSIB.

Notes: Long Term Disability Benefits to an eligible applicant shall be for the period commencing on the exhaustion of A & S and not beyond the earlier of:

- Equal to length of Company seniority on the last day worked (less the duration of A & S benefits).
- Eligibility to Company Retirement Plan benefits.

#### EMPLOYEE OPTIONAL GROUP LIFE INSURANCE

- Optional Life premiums are payroll deductible.
- Employees can choose coverage in units of \$10,000 up to a maximum of \$100,000.
- Employees may select coverage for their spouse and children at \$10,000 for spouse and \$5,000 for each child.
- Employees are eligible to apply for coverage to be effective at the time coverage for Company paid life insurance begins
- Employees must complete application and insurance company may deny coverage.
- Coverage terminates at age 65 or at retirement or other termination of employment, whichever is earlier.
- Conversion to an individual policy may be made upon termination earlier than age 65.
- Changes to the Employee Optional Group Life Insurance Plan referenced above shall become effective July 1, 1995.

APPENDIX "C"  
HEALTH AND WELFARE  
PROGRAM COVERAGE

Major Medical:

The following benefits will be Company paid for employees and dependents:

- Fees of a Registered Graduate Nurse,
- Professional Ambulance service,
- Semi-Private Hospital Room,
- All other medical expenses incurred as a result of accident or sickness and ordered by a legally qualified physician which is not covered under O.H.I.P.

Employees and dependents will be provided with a direct pay drug card with a \$ 1.00 employee co-payment:

Coverage includes Prescribed Drugs and medical supplies, except for preventative medicines, and drugs and medical supplies available 'over the counter' without a prescription (see Notes).

Only Generic Substitutes for prescribed drugs will be covered, provided they are available at the pharmacy of the employee's choice, unless otherwise specified by the prescribing physician.

- The program is expected to be implemented by April 1, 2004.
- The lifetime maximum for eligible members is capped at \$400,000.

NOTES: The Major Medical Insurance coverage includes prescribed Birth Control Pills,

Major medical benefits including vision care, prescription drugs, dental benefits shall continue for current retirees, their spouse, and dependents until the Company retiree reaches age 65. Employees retiring with 30 years of service or more and age 60 or more will also have these benefits provided for themselves, their spouse, and dependents, until the employee reaches age 65. The Company will request the Insurance Carrier to periodically inform retirees of reasonable and customary charges.

Dental Plan:

The Company will provide a dental plan equivalent to the Ontario Blue Cross Plan No.7 plus Riders No.1, 2 and 4 (1980) for employees and dependents under 21 years of age or under 25 years of age, provided they are a full-time student, with a \$1,800 annual maximum benefit per individual. Coverage for oral exams, including the scaling and cleaning of teeth, will be limited to once every 6 months.

Benefits are based on the 2004 Ontario Dental Association Schedule of Fees.

In the second year of the contract benefits will be based on the 2005 O.D.A. Schedule of Fees.

In the third year of the contract benefits will be based on the 2006 O.D.A. Schedule of Fees.

The Company will provide pit and fissure sealant up to the age of sixteen (16).

### Orthodontic Care:

Orthodontic Care benefits will be provided to a \$1,600 lifetime maximum for eligible members under 21 years of age or under 25 years of age, provided they are a full-time student.

Coverage for eligible members includes:

- Orthodontic treatment started before the patients 21st birthday.
- A treatment plan past the patient's 21st birthday if the continuing treatment is started before age 21 and the patient continues to be eligible for the Dental Plan.
- Treatment of otherwise healthy teeth required because of accidental injury or other medical reasons (as opposed to cosmetic reasons), as prescribed by a physician or dentist will be covered regardless of the eligible patient's age.

### Vision Care:

Prescription eye-glasses or contact lenses and the fittings of such eyewear for the purpose of correcting vision are subject to a combined maximum of \$200 in any two consecutive calendar years.

Note: All charges must be recommended or approved by a legally licensed physician, surgeon, optometrist or ophthalmologist. All claims must be supported by an official receipt, indicating name of patient and the date the eyewear was received.

Orthodontics: The Company will provide \$100 per year of the contract for orthodontic inserts. This coverage is for employees only. All charges must be recommended or approved by a medical doctor (MD). All claims must be supported by an official receipt, indicating name of patient and the date the orthodontics were received.

In addition to the current coverage for Chiropractic, Osteopath and Podiatrist, the following shall be provided as a paramedical "flex" care benefit package to a maximum of \$300.00 per year per individual for employees and dependants: Massage Therapy, Naturopath, Physiotherapy, and Acupuncture. The above coverage is meant to enhance any current coverage and not reduce in any manner the current coverage.



APPENDIX “D”

The Company established the Retirement Plan for Hourly-Rated Employees of Autoliv Electronics Canada Inc. effective July 1, 2002 (the “Plan”). The Plan is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency.

Solely for purposes of illustration, some provisions of the Plan are currently as follows:

Monthly Basic Benefit – Subject to the Income Tax Act limitations, an employee’s basic unreduced monthly pension at the age of 65 shall be the product of:

- (a) the employee’s years of “Credited Service” as defined in the Plan; and
- (b) the applicable pension credit specified below:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Group Aa/	\$37.00	\$39.00	\$41.00
Group Bb/	\$38.00	\$40.00	\$42.00
Group Cc/	\$39.50	\$41.50	\$43.50
Group Dd/	\$44.00	\$46.00	\$48.00
Group Ee/	\$23.00	\$25.00	\$27.00
Group Ff/	\$24.00	\$26.00	\$28.00
Group Gg/	\$25.50	\$27.50	\$29.50
Group Hh/	\$30.00	\$32.00	\$34.00

Normal Form of Pension – a joint and 60% survivor pension for married members and a 5 year guaranteed pension for single members.

Bridge Benefit – Subject to Income Tax Act limitations, an employee who elects to retire on or after his sixtieth (60) birthday but prior to his or her sixty-fifth (65) birthday who has at least 30 years of service with the Company and/or Visteon at the time of retirement shall be entitled to a monthly bridge benefit equal to the product of:

- (a) \$13.50; and
- (b) the employee’s Credited Service, to maximum of 30 years, less the employee’s “credited service” (as defined in the Visteon Plan) earned under the Visteon Plan.

Such bridge benefits will be paid until the retiree reaches his sixty-fifth (65) birthday or until death, whichever occurs first.

Monthly Benefit Minimum – Subject to Income Tax Act limitations, an employee who elects to retire on or after their (60) sixtieth birthday who has at least thirty (30) years of

service with the Company and/or Visteon, shall be entitled to a minimum monthly pension equal to the product of:

- (a) \$33.34; and
- (b) the employee's Credited Service, to a maximum of 30 years, less the employee's "credited service" (as defined in the Visteon Plan) earned under the Visteon Plan.

NOTES:

- a/ Group a includes employees at Job Level 2 through 5 hired by the Company before January 9, 2004.
- b/ Group b includes employees at Job Levels 7 through 12 hired by the Company before January 9, 2004.
- c/ Group c includes employees at Job Levels 14 through 19 hired by the Company before January 9, 2004.
- d/ Group d includes employees at Job Level 20, hired by the Company before January 9, 2004.
- e/ Group e includes employees at Job Level 2 through 5 hired or recalled by the Company after January 9, 2004.
- f/ Group f includes employees at Job Levels 7 through 12 hired or recalled by the Company after January 9, 2004.
- g/ Group g includes employees at Job Levels 14 through 19 hired or recalled by the Company after January 9, 2004.
- h/ Group h includes employees at Job Level 20, hired or recalled by the Company after January 9, 2004.

It is expressly understood that the Company will not amend the Plan to change the level of benefits provided under the Plan without first receiving consent from the union.

APPENDIX "E"  
JOINT STEERING COMMITTEE

In order to enhance Markham's competitive position within the worldwide electronics industry, the parties agree to establish a Joint Steering Committee (JSC) for the purpose of developing a framework for the full participation of the workforce. The JSC represents an equal partnership between the parties in the continued development and implementation of employee participative processes (i.e. workgroups, job redesigns, etc.). The JSC will also develop and recommend policies to management which support employee participation and the development of employee roles and responsibilities. The JSC will be committed to:

- Empowering employees to become autonomous in the performance of their work by establishing roles and responsibilities within clearly defined boundaries.
- Creating an environment where continuous improvement is the norm rather than the exception.
- Providing increased job satisfaction to all employees.
- Developing programs and training to enhance employee skills in problem solving techniques and knowledge of product objectives.
- Creating a fast learning environment to fully develop and utilize the talents and skills of all employees. The Certification Advisory Committee (CAC) resources will be utilized along with all other appropriate training resources to create and support this environment.
- Develop and recommend policies which emphasize the integrity and the dignity of the individual as well as the group.
- Jointly explore, pursue and develop innovative methods which preserve and create new jobs for Markham.

By achieving the above objectives through the participative processes, the Plant will increase its competitive position in quality, cost and time resulting in enhanced job security for all employees.

The Local Union President will designate a Co-Chairperson for the JSC.

APPENDIX "F"  
ALTERNATE WORK SCHEDULES

This Alternate Work Schedule pertains only to those classifications included within Maintenance.

The initial staffing of the alternate work schedule will be on a voluntary basis. The agreement as to the implementation of an Alternate Work Schedule at the Markham Electronics Plant is as follows:

1. A maintenance schedule consisting of two crews (A&B) each normally working one eight (8) hour shift (on Monday or Friday) plus two twelve (12) hour shifts (one each on Saturday and Sunday) each week.
  
2.
  - a) The eight (8) hour shift (on Monday or Friday) will be assigned pursuant with 14.01 with the provision that the shift ending time provides a minimum of eight (8) hours prior to the beginning of a Saturday shift and a minimum of eight (8) hours after the end of a Sunday shift.
  
  - b) The Saturday and Sunday shifts shall be 12 hours and shall provide one unpaid thirty (30) minute lunch period. There shall be one additional thirty (30) minute eating period and two ten (10) minute rest periods.
  
  - c) The Christmas holiday period will be scheduled so as to provide unbroken time off from Christmas Eve to New Year's Day, inclusive,
  
  - d) Employees on this schedule will be compensated up to forty (40) hours pay for time absent due to bereavement.
  
  - e) Employees on this schedule shall be compensated at eight (8) hours straight time pay for Saturday and Sunday per section 14.08.
  
3. The alternate work schedule shift and pay structure is detailed below:

Hours worked = 8 hours Friday or Monday + 12 hours  
Saturday + 12 hours Sunday = 32 hours

Shift	Friday	Saturday	Sunday	Monday
A	Day or Afternoon	Sat 11:00am-11:30pm	Sun 11:00am-11:30pm	Afternoon
B	Midnight	Fri 11:00pm-Sat 11:30am	Sat 11:00pm-Sun 11:30am	Midnight or Day

Hours Paid = 40 hours

Friday/Monday	Saturday	Sunday
8hrs@straight time=8 hrs Total=8 hrs	8hrs@straight time=8 hrs 4hrs@double time=8hrs Total=16 hrs	<u>8hrs@straight</u> time=8hrs <u>4hrs@double</u> time=8hrs Total=16hrs

Both shifts on Saturday and Sunday shall be paid a shift premium in accordance with the rate established in 14.02.

An employee who is required to work on the day immediately prior to the first day of their regularly scheduled day of work, shall be paid double time for all hours worked on that day (i.e. an employee on the Saturday, Sunday, Monday schedule that is asked and accepts work on a Friday, will be paid double time for that Friday work). An employee who is required to work any other day which is not part of their regular weekly schedule of hours shall be paid for the first five (5) hours worked on such a day at the rate of time-and-one-half (1 1/2). Work in excess of five (5) hours shall be paid for at the rate of double-time.

4. In the event the alternate work schedule described in paragraph 1, 2 & 3 would affect and require changes in the administration of other wage or benefit payment practices, the parties agree that such changes shall maintain the original intent of those practices to the extent practical, but shall not increase their cost to the Company in comparison to their application to work schedules traditionally recognized by the agreement.

Finally, it is understood that this Appendix does not limit in any way management's rights to schedule and determine the working hours of employees pursuant to the Collective Bargaining Agreement. In that regard, however, if it becomes necessary for the Company to discontinue the alternate work schedule described herein, the regular work schedules traditionally recognized by the Agreement would be re-instituted. Such discontinuance would not preclude re-implementation of the provisions set forth in this agreement.

APPENDIX "G"  
APPRENTICESHIP AGREEMENT

Apprenticeship Agreement

Postings for apprenticeships will only be initiated in a particular classification when there is no one on a recall list to that particular classification.

This Apprenticeship Agreement has been developed through the cooperative efforts and mutual agreement of representatives of Autoliv Electronics Canada, Inc., and Local Lodge 2113 of the International Association of Machinists and Aerospace Workers, All terms and conditions of this agreement are consistent with the current Collective Agreement between the parties,

1. Objectives

- (a) The objectives of this apprenticeship agreement are to provide a means for developing skilled trades personnel. Apprentices will be instructed in related subjects so as to acquire the knowledge and skills necessary to perform the duties of the trade.
- (b) The Company sponsored practical training assignments, wherever possible will be modeled on the guidelines established by the Ministry of Skills Development (MOSD). Training in safety and good housekeeping practices will accompany each type of work performed. The apprenticeship will be 8000 hours or approximately four years in length, including related and classroom training. The number of hours of practical training and related instruction may vary between the different trades.

2. Local Apprenticeship Committee

A Joint Apprenticeship Committee (JAC) composed of three (3) Management members and three (3) Union members shall be established. The Committee will be responsible to oversee the administration and functioning of the Apprenticeship Agreement. The committee shall consider and make recommendations as specified below:

- (a) To formulate and implement plans which create and maintain interest in the Apprenticeship Program
- (b) To cooperate with the apprentice, the school authorities, the Company and the Union in the successful operation of standards set by the MOSD.
- (c) To counsel apprentices who are experiencing difficulty in school or work related matters, and to hear and resolve any issues arising from the administration of the Apprenticeship Program
- (d) To arrange courses of study, obtain and furnish reports, maintain records, coordination of training and communications with the Ministry of Skills Development.

- (e) To certify with the appropriate Registration Agency, the names of apprentices who have satisfactorily completed their apprenticeship, requesting the issuance of a Certificate of Apprenticeship to the Ministry of Skills Development.
- (f) To accept or reject applicants for apprenticeship utilizing the criteria established by the job posting procedure of the Company.
- (g) Through monthly meetings the JAC will be responsible for the successful operation of the Apprenticeship Program and the successful completion of the apprenticeship by the apprentices under the standards hereafter.
- (h) Where the JAC is unable to reach a simple majority vote in administering these standards, the concern will be brought before the Human Resources Department and IAM Shop Committee for resolution.

### 3. Company Responsibilities

The Company shall have sole authority to:

- (a) determine the number of apprentices by trade, if any, to be admitted into the program;
- (b) assign work;
- (c) administer discipline.

The Company's authority in these areas shall be subject to the Collective Agreement (CA) between the parties, unless otherwise modified by this Apprenticeship Agreement.

### 4. Qualifications of an Apprentice

In order to become apprenticed under this agreement, persons must have the following qualifications:

- (a) The minimum requirements, as per the MOSD, for internal applicants. External candidates must be a graduate of a grade twelve (12) Secondary School or Technical High School or its equivalent.
- (b) An interest and aptitude towards learning the trade as demonstrated on a relevant aptitude test as administered by the JAC.
- (c) Meet the Company's pre-employment medical standards.
- (d) Legal ability to work in Canada.

### 5. Application for Apprenticeship

All applications for apprenticeship, both internal and external, shall be made on a form supplied by the Company and approved by MOSD, in addition to the Company's

employment application. A copy of the application of apprenticeship will be forwarded to MOSD. Applications will be made available through the job posting procedure in the Collective Agreement. The initial opportunity will be given to non-licensed employees, than to licensed journeypersons then finally to external candidates.

#### 6. Placement on Apprenticeship Program

- (a) Applicants who have successfully completed the selection process, as determined and administered by the JAC, will be placed into the program as openings occur.
- (b) For employees entering a trade the seniority date to be applied will be the date the employee enters their apprenticeship.
- (c) Those applicants who are not placed in the program or who were unsuccessful in passing the selection process may reapply and be retested as job openings occur.

#### 7. Terms of Apprenticeship

- (a) The complete term of apprenticeship shall be 8000 hours, which shall include the probationary period.
- (b) The first sixty (61) days of work shall be regarded as probationary, for the purposes of:
  - (i) The apprentice's Team Coordinator and the JAC confirming the suitability of the apprentice for the chosen trade
  - (ii) The apprentice confirming their interest in continuing with the program.
- (c) Credit may be granted, in justifiable instances and at the discretion of the JAC with assessment and advice through MOSD, to applicants with previous training or experience. Such training or experience must be either as an apprentice with another Company, a pre-apprentice course or directly related training. In the latter instance, the training must be directly related to the schedule of practical assignments in the apprenticeship program.
- (d) The progress of the apprentice shall be subject to review by the JAC. Should such review reveal unsatisfactory progress, either in practical or related classroom instruction on the part of the apprentice, with recommendation of the JAC, the Company may cancel the apprenticeship agreement with the employee for just and reasonable cause.
- (e) The JAC may extend the term of apprenticeship, with written advice to MOSD, where the apprentice fails to make satisfactory progress in practical work or related classroom instruction.

#### 8. Practical Training

- (a) Each apprentice shall receive training in all phases of the trade as outlined in the schedule of practical training assignments by the MOSD. A portion of scheduled training will consist of assignments specific to Autoliv Electronics Canada, Inc..



- (b) The responsibility for the practical portion of apprenticeship training shall be shared mutually as follows:
  - (i) The apprentice's Supervisor will assign work, provide direction and gauge the progress and conduct of the apprentice.
  - (ii) The Journeyperson with whom the apprentice is associated, will afford the apprentice the opportunity to learn from their knowledge, experience and judgment.
  - (iii) The apprentice will keep a record of the type of work performed, in relation to the training, which shall be verified by the Supervisor.
- (c) Apprentice progress reports will be completed by the Supervisor and acknowledged by the Apprentice according to the following schedule:

Probationary Period (61) days): weekly  
After Probationary Period: monthly

All reports will be forwarded to the JAC for review.

#### 9. Academic Training

- (a) The apprentice must attend all specified classroom training as required to meet the qualifications for the trade. Apprentices will attend classroom training under a shift release or evening schedule. Where practicable, reasonable efforts will be made to schedule classroom training on a day release basis. The schedule for classroom training will form part of the overall apprentice training schedule.
- (b) The Company will pay apprentices at a straight time rate for attending required classroom training as designated by the JAC.
- (c) The Company will pay on behalf of apprentices covered by this Apprenticeship Agreement, registration fees, tuition, books and lab fees as required for classroom training.

#### 10. Apprentice Agreement

- (a) Each apprentice shall enter into a written agreement with the Company, to serve the terms and conditions of apprenticeship.
- (b) This agreement shall be signed by the apprentice in the presence of a Company and a Union representatives of the JAC.
- (c) The apprentice agreement shall be registered, as appropriate, with the Ontario Ministry of Skills Development.

#### 11. Wage Scale for Apprentices

- (a) The agreed wage scale for apprentices shall be based on the rate in effect and

specified for the classification in the Collective Agreement between Autoliv Electronics Canada, Inc., and Local Lodge 2113, International Association of Machinists and Aerospace Workers. The formula listed below will determine the rates. An apprentice training program shall consist of five periods of related training and work experience training. The JAC will grant wage increases based on hours completed. Extenuating circumstances will be examined by the JAC if apprentices do not fulfill the required amount of hours for wage increases.

SHOP HOURS COMPLETED	CLASSROOM HOURS COMPLETED	PERCENTAGE OF WAGE
0 – 1856	144	75%
2001 – 3694	288	80%
4001 – 5532	432	85%
6001 – 6460	532	90%
7001 – 7424	576	95%

- (b) An apprentice who applies and is accepted from within the Company will not be paid a rate which is less than their previous rate. In such instances the apprentice will continue to receive the rate at which they commenced the apprenticeship, until such time as the rate outlined in the apprenticeship rate agreement is higher.

12. Hours of Work and Working Condition

- (a) The hours of work, overtime rules, conditions, rules, regulations and penalties governing working conditions shall be as stated in the Collective Agreement between Autoliv Electronics Canada, Inc., and Local Lodge 2113, International Association of Machinists and Aerospace Workers. The apprentice shall receive credit towards the term of the apprenticeship, only for actual time performing practical apprentice related work or attending related classroom instruction. Any time paid at a premium rate will be credited towards the term of the apprenticeship at the straight time rate.
- (b) The apprentice may be assigned to any shift to facilitate the training program. However, when assignment to shifts other than shift #2 becomes necessary, such assignments will be rotated.

13. Continuity of Employment

- (a) The Company intends and expects to give the apprentice steady employment but reserves the right to layoff whenever business conditions make this course necessary. Layoffs will be in accordance with Article 12 of the Collective Agreement, maintaining the stipulated ratio of journeypersons to apprentices, where apprentices in each trade with the least amount of service in the program will be laid off first and rehires will be made in reverse order.

- (b) The number of apprentices which the Company may employ at anyone time will not exceed a ratio of one (1) apprentice to every ten (10) journeypersons. This ratio shall permit the Company to retain (or indenture where none are enrolled) one (1) apprentice where two (2) or more but less than ten (10) journeypersons are employed and/or two (2) apprentices where fifteen (15) journeypersons but less than twenty (20) journeypersons are employed. In classifications where there are twenty (20) or more journeypersons, the ratio will be applied in increments of one (1) apprentice for every ten (10) journeypersons.
- (c) For employees entering a trade after completing a program governed by this agreement, in applying sections 12.05, 12.09, 12.10 and 12.17 of the Collective Agreement, the seniority date to be applied will be the date the employee enters their apprenticeship. Plant wide seniority will be retained and applied for the purposes of vacation and any other benefits and should the employee revert to previous classification in which their seniority is greater.
- (d) In the event there is no need for an additional employee in the classification, the apprentice who has successfully completed the apprenticeship and has become a licensed journeypersons, will first exercise their date of entry seniority within the trade and then exercise their plant wide seniority towards a lower classification in which they are qualified. The apprenticed journeypersons will retain recall rights to the apprenticed classification and will exercise their date of entry seniority as openings become available.

#### 14. Tools

The Company will initially provide necessary tools as required during the apprenticeship and will provide for the secure storing of tools. The apprentice will have responsibility for the safekeeping of tools. The Company and the Union agree to mutually identify a tool list for the purpose of this Article.

#### 15. Certificate of Completion of Apprenticeship

Upon completion of the apprenticeship under these apprenticeship standards, the Joint Apprenticeship Committee will recommend to the MOSD that certificate signifying completion of the apprenticeship be issued to the apprentice.

#### 16. Amendments to Apprenticeship Agreement

The provisions of this apprenticeship agreement may be modified by recommendation of the Joint Apprenticeship Committee, subject to approval by the Company, Union and MOSD.

#### 17. Initial Job Posting to the Markham Apprenticeship Program

Applicants selected from the initial posting to the Markham Apprenticeship Program with a seniority date greater than February 28, 1993 will have date of entry seniority to the

20.7 classification of March 1, 1993. Future postings will be in accordance with the Company's job posting procedure.

APPENDIX “H”  
OVERTIME GROUPS  
(FOR THE PURPOSES OF OVERTIME EQUALIZATION ONLY)

Production Overtime Sharing Groups

1. ARM Automation
2. SCS/Past Model Service
3. SCS X00
4. Arm Cell
5. SMT
6. Quality Lab
7. Non –Production Stores
8. Shipping
9. Receiving
10. Stock keepers/Volatile Stores
11. Computer Systems Tech
12. Mechanical and Facility Maintenance

Production Support Maintenance Overtime Groups

1. Module Assembly
2. SMT
3. AWS

Within each of these defined groups, overtime opportunities would be equalized by classification in accordance with Article 14.11 of the Collective Bargaining Agreement. The parties recognize that operational requirements may necessitate revisions to the overtime groups during the term of this Agreement. Changes will be mutually agreed upon.

## APPENDIX "T"

### TOOLS

New hires in the skilled trades are required to supply a basic "Defined" Tool Kit.

All Skilled Trades (Grade 20's) will receive a tool allowance of \$400.00 for each year of the contract.

This is intended to facilitate skilled trades replacing worn or broken tools.

- The Tool Allowance shall be paid to the affected employees within thirty (30) days of the ratification of this agreement and on the first pay in January for the subsequent years of the contract.
- New hires, and recalled employees shall have their tool allowance pro-rated to the term of the agreement.

Heavy/Power and Specialized Tools will be made available to skilled trades as required for a particular task. These tools will remain company property.

LETTER # 1

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

This will confirm our discussions during recent contract negotiations concerning the policy of the Company on outside contracting.

In the conduct of the business the Company will at times and for various reasons, have the need for outside contractors to perform work on or off Company premises normally performed by skilled trades bargaining unit employees.

Before any such work is contracted out, the Company will discuss its intentions with the Union.

The Union will be afforded the opportunity to comment on the Company's plans and the Company will give appropriate weight to Union comments prior to making a final decision.

In no event shall a seniority skilled trades employee who customarily performs the work involved on a particular contract be laid off as a direct and immediate result of the Company letting a particular contract which involves the performance of work by an outside contractor on or off Company premises.

This policy shall not affect the right of the Company to continue arrangements currently in effect; nor shall it limit the fulfillment of warranty obligations or service contracts by vendors, nor limit work which a vendor must perform to prove out equipment

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

ORIGINALLY ISSUED: November 26, 1986  
MODIFIED: January 9th, 2001

LETTER # 2

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During current negotiations the parties discussed the duties of employees assigned as Group Leaders. The Union was informed that such duties include assisting Supervisors in the training and instruction of employees on job requirements, reporting to the Supervisor production problems needing attention, relieving employees, replacing absentees, and otherwise filling in wherever needed.

The duties of group leaders, or any bargaining unit employees, do not include authorization to "discipline" or "reprimand" other hourly employees, to solicit overtime on a regular basis, or to perform work normally performed by the Supervisor that requires access to confidential information such as distributing paycheques, processing vacation requests or processing upgrades. In the event an employee or the Union has reason to believe a Group Leader is acting contrary in this regard, it should be brought to the attention of the employee's Supervisor and Area Manager.

ORIGINALLY ISSUED: February 12, 1977

**CONTRACTUAL INTENT RE APPOINTMENT OF GROUP LEADERS**

The Company retains the right to appoint Group Leaders, as required, to maintain efficient operations.

The Company agrees that it will develop and maintain a listing of personnel that it considers to be capable of filling potential Group Leader vacancies within one (1) month of the signing of this collective agreement.

The listing will be developed by Job Grade and Cost Centre, and vacancies will be filled on the basis of the listing, with seniority being one of the considerations and recognizing the rights of the Company, as stated in paragraph 1.

The Company agrees to notify the Union prior to discussing same with employee.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources



LETTER # 3

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During the current negotiations, the Union sought a statement concerning the practice, followed by the Company in the administration of discipline in accordance with Section 11.01 of the Collective Agreement.

In particular the Union requested assurances that the employee's appropriate representative would be afforded an opportunity to review the circumstances upon which suspension or discharge is based prior to disciplinary action being finalized.

The Union was advised that the Company's current practice in such cases is to conduct an interview with the employee in the presence of a union representative. Such interview is conducted by a representative of the Human Resources department and with the Local President or his designate in attendance. It is understood, however, there may be occasions when it is necessary to remove an employee from the plant immediately or order to avoid disruptions and to maintain order pending further investigation. In such cases the Union is promptly notified.

The Company will co-operate with the Union in ensuring that all relevant circumstances, concerning such cases are considered prior to imposing suspension or discharge.

This letter is not intended to limit in any manner management's rights concerning that administration of discipline.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

ORIGINALLY ISSUED: February 8, 1979

LETTER # 4

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During recent negotiations the parties had extensive discussions regarding in-depth analysis of each benefit contract and the overall performance of the carriers. As a result of the discussions it was mutually concluded and agreed that:

- 1) A IAM Benefits Representative would be selected by the Union to work on IAM benefit issues and provide employees with information, support and direction to obtain various benefits and programme assistance.
- 2) Joint meetings would be conducted with each carrier to review each Master Plant contract and ensure that such contract is up-to-date, correct and properly administered. A copy of such contracts will be provided to the IAM Benefits Representative.
- 3) The parties would jointly review contract performance at least semiannually and meet with the appropriate Insurance Representative to discuss any on-going problems.
- 4) Minutes of meetings conducted in accordance with provision 3 of this letter would then be jointly signed by the Union and the Company Benefits Representative and forwarded to the IAM Business Representative and Autoliv's Human Resources Office.

As the parties further agreed, those issues identified as being problems relating to interpretation of the benefit plans would be promptly addressed and brought to the attention of the carrier for corrective action and timely resolution.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources  
ORIGINALLY ISSUED: February 24, 1995

LETTER #5

February 27, 2001

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

Subject:

LIFE INSURANCE PLAN  
LIFE INSURANCE AFTER THE MONTH YOU ATTAIN AGE 65

If you are insured at age 65 and have ten (10) or more years of service at age 65, or elect to retire between age sixty (60) and sixty-five (65) and have thirty (30) years of service, your Life Insurance will be continued at no cost. The amount of insurance is gradually reduced each month at the rate of 2% of the amount in force at 65 or at time of retirement between age sixty (60) and sixty-five (65) with thirty (30) years of service, until an ultimate of insurance, called Continuing Group Life (CGL) is reached.

The CGL amount is determined by multiplying your years of service up to twenty (20), at the end of the month in which you become 65 or at time of retirement between age sixty (60) and sixty-five (65) with thirty (30) years of service, by 1 1/2%. This percentage is then multiplied by the amount of Life Insurance in force at age 65 or at time of retirement between age sixty (60) and sixty-five (65) with thirty (30) years of service.

The above summary is a brief outline of the main points and is for your general information. The detailed provision, of the Insurance Contract will govern in all instances.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources  
ORIGINALLY ISSUED: February 24, 1995

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West,  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

The parties agree that it is in the best interest of both the employees and the company that external certification requirements be identified for certain job classifications.

Both parties agree that the classifications requiring certification are 14.1, 14.2, 14.3, 14.4, 14.5, 17.1 and 19.3.

Current active employees (as of January 10<sup>th</sup> 2004) in the above classifications and current active employees (as of January 10<sup>th</sup> 2004) with recall rights to the above classifications will not be required to attain the certifications listed below:

Both parties agree that the following are the certification requirements for newly hired employees, and posted vacancies.

- 14.1 2 yr. Post secondary college electronics diploma
- 14.2 SMT operator Certificate (see Note 1)
- 14.3 IPC repair / rework certificate (standard - IPC 7711/7721)
- 14.4 Fork Lift (Counter Balance Type) License
- 14.5 SPC operator Certificate (see Note 1)
- 17.1 2 yr. Post secondary college electronics diploma
- 19.3 CET designation - Electronics Technologist

Note 1: For the purpose of the 14.5 classification the CAC (see below) will mutually agree on a minimum of three post secondary courses, which are relevant to the duties of the classification. These courses can be developed in partnership with a local post secondary institute.

For the purpose of the 14.2 classification the CAC (see below) will mutually agree on a minimum of four post secondary courses, which are relevant to the duties of the classification. These courses can be developed in partnership with a local post secondary institute.

If there are employees who are interested in attaining the 14.2 and 14.5 certification the company will endeavour to bring the courses on site (provided there are the required minimum number of employees to conduct a post secondary course)

Both parties recognize that it is in their interest to facilitate the ability of current active employees (not in said classification, or on recall list) to achieve the requirement of the 14.2 and 14.5 classifications, should the employee intend to apply for the said classifications. To this end the certification requirements for the 14.2 and 14.5 classification will come into effect on July 1, 2006. This will allow interested employees to achieve the required certification for the 14.2 and 14.5 classifications. The CAC may mutually agree to extend this date, should the CAC deem it necessary to ensure appropriate time for employees to achieve the certification.

For the 14.3 and 14.4 classifications the intent is that employees who apply to a posting for these position(s) will be provided the appropriate training. Employees will only be considered successful applicants to the position(s) after passing the prescribed test.

Both parties agree to create a Certification Advisory Committee (the "CAC") comprised of 2 representatives selected by the Union and 2 representatives selected by the Company. The parties agree that the equal numbers on the CAC may be increased by mutual consent.

The purpose of the CAC will be to discuss any future external certification requirements brought on by changes in industry standards and/or customer requirements for classifications in the bargaining unit. The Company and the Union will review and give due consideration to the views of the members of the CAC including any consensus recommendations before making any mutual decision regarding external certification requirements for any classification in the bargaining unit, and any mutual agreement will not be unreasonably withheld. All future additions to external certification requirements must be justified by changes in industry standards or customer demands.

The parties agree that the following classifications will be the first order of business for the CAC to evaluate: 14.2, 14.5.

If new requirements are established and existing employees in the affected classification, do not attain the new certification, these said employees would be pay protected for the length of the contract, provided they have the seniority to remain in the classification.

As the result of our discussions, and in the view of the interest of both parties in affording maximum opportunities for employees to progress with advancing technology, a Certification Advisory Committee will be formed and hold meetings within ninety (90) days of this Agreement.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources  
ORIGINALLY ISSUED: February 17, 1987  
MODIFIED: January 10<sup>th</sup>, 2004.

LETTER # 7

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

As the result of discussions, the Plant Committee and the Company have agreed to meet quarterly to deal with those matters having special interest to employees, the Union and the Company. Among these will be:

- finding ways to improve two-way communication
- discussing the plant's general operations and certain business developments, including product and manufacturing plans as it might affect the size (increase or decrease) of the workforce. With respect to any outsourcing of core business bargaining unit work, the Company will discuss its intention with the Local Union Committee before any such work is outsourced. The Company will explain its reasons for its tentative decision to outsource the work by supplying all relevant information such as costs and rationale available to the plant and will give the Local Union Committee an opportunity to suggest ways in which the work may otherwise be performed in-house. The Company will give due consideration to the suggestions of the Local Union before making its final decision.
- addressing other matters both parties agree are appropriate for discussion. It is understood these meetings will not replace the collective bargaining process, nor, interfere with the parties Grievance Procedure.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources  
ORIGINALLY ISSUED: February 16, 1987  
MODIFIED: January 4th, 2001.

LETTER # 8

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

ORIGINALLY ISSUED: March, 1992

During the course of these negotiations the Union raised a concern regarding an employee's ability to grieve the termination of his/her employment where a WSIB case was involved. More specifically, the Union was concerned the Company would attempt to argue, in cases where greater than 24 months had passed since the employee's last day worked, it was no longer obligated to reinstate the employee according to the Act regardless of the outcome of arbitration.

In situations where 24 months or longer have elapsed during the course of pending arbitration, the Company, as in the past will continue to argue the case based on its merits and will not summarily evoke the 24 month provision of the Act, This understanding does not restrict the Company from exercising its rights under the Act in situations other than outlined above.

ORIGINALLY ISSUED: March 3, 1992

Additionally, the following reflects the understanding presently in effect between the Company and the Union regarding the payment of accident and sickness insurance during a Workers' Compensation dispute.

Any worker who is off work due to an accident or injury, and who has been denied Workers' Compensation, shall file for and shall be covered by the Company's Accident and Sickness insurance during the course of appeal. It is understood that employees to be eligible for payment shall sign the waiver on the insurance form regarding release of information and shall also sign a waiver for repayment of monies if the WSIB appeal is successful.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER #9

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During recent negotiations there were discussions between the parties regarding the Apprenticeship Agreement.

The ongoing intent of the Apprenticeship Programme is to provide non-apprenticed employees the opportunity to acquire the knowledge and skills to perform the duties of trade.

Current Licensed Journeypersons will only be eligible for the apprenticeship program, only after all internal non-licensed candidates have been exhausted.

Yours Very Truly,

Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources  
ORIGINALLY ISSUED: February 2, 1995  
RE-ISSUED: January 9<sup>th</sup>, 2004



LETTER # 10            January 3rd, 2001

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

The Company agrees that it will respond to Union, or employees, questions or requests for information regarding the pension plan for hourly employees, through an identified plan administrator. The Company will seek input and advice from its actuary when necessary to respond to such questions or requests for information. The Company agrees that it will respond in a timely manner.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

RE-ISSUED: January 9rd, 2004.

LETTER #11

November 22, 2000

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During the course of these negotiations, the parties had extensive discussions regarding Appendix F (alternate work schedules). The Company has stated that these alternate work schedules are required to enhance the Markham Plant's competitive position by improving equipment utilization, and meeting Preventive Maintenance Schedules. This will assure our customers of the highest quality, lowest cost products, and on-time delivery, resulting in enhanced job security for Markham employees.

The Company recognizes the concern regarding present seniority employees being "forced" from the Monday through Friday schedule to the alternate work schedule and has committed that the initial staffing would be on a voluntary basis. Additionally, the Company has reiterated that the implementation of the alternate work schedule, is not intended, nor does it believe, will result in undue hardship for any employee.

The Company also recognizes additional concerns surrounding future staffing adjustments. The Company, reiterates the position that local management will not make arbitrary or capricious decisions that result in circumventing the spirit or intent of Appendix F and the Collective Bargaining Agreement which involves a voluntary staffing of the alternate work schedule.

The Union will be given advance notice of any staffing adjustment and the reasons for such plans prior to implementation and be afforded the opportunity to meet with the Company prior to final implementation to ensure adherence with the spirit and intent of Appendix F and the Collective Bargaining Agreement.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 12

January 15, 2001

Mr. Paul Mitchell  
Business Representative  
International Association of Machinist and Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell:

During recent contract negotiations the parties discussed the need for an Employee Assistance Programme for the employees of the Plant. We discussed the need for employees to have access to counseling for personal problems such as; anxiety, depression, stress, substance abuse, bereavement. Both the Company and the Union recognize the positive impact that such a programme could have on both the health and welfare of the employees and the work environment.

Accordingly, the Company has agreed to continue the current Employee Assistance Programme during the term of the current Collective Agreement.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 13            March 1, 2001

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During recent negotiations, the subject of medical benefits and levels of coverage were discussed. This letter is to confirm that in the event the Company changed insurance carriers for medical benefits for IAM employees from Maritime Life, all benefits will be continued at negotiated levels or better.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 14

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During recent negotiations we discussed the staffing of production lines during normal shutdown periods. It is the intent of the Company to ask employees to work by area and shift and not by seniority standing. Although working during normal shutdown periods is not an overtime opportunity, employees will be asked according to the overtime group (shift) with the lowest hours.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 15

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
1H2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

Weekly Indemnity and Long Term Disability Claims

1. If there is a dispute regarding the ability of the employee to return to work, the employee will be required to appeal to the insurance company at least two (2) times with updated medical information, from the treating physician. The Company shall ensure that each appeal is adjudicated as promptly as possible.
2. If after the appeals, the insurance company is still maintaining denial of the particular claim and there is a dispute between the employee's physician and Maritime Life, on the ability of the employee to return to work, the Company will refer the issue(s) to a medical specialist at (pick a location/Dr), for the purposes of evaluating all aspects of the claim.
3. This independent medical opinion shall be presumed accurate , however, the union does have the right to rebut the presumption by filing a grievance.
4. The Company will pay up to \$2,000 maximum, per claim, for the independent medical opinion.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 16

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

This letter will confirm the recent discussions surrounding the intention of Article 12.09. The Union and the Company agree that should an employee elect to take a voluntary layoff that their seniority will govern in all recall situations except for employees who elect to be laid off from a higher grade without exercising their bumping rights into a lower or lateral classification. These employees will be limited to recall rights to the classification, or its negotiated equivalent, which they held at the time of the voluntary layoff. For greater clarity, employees who elect lay-off shall retain their position on the recall list in line with their seniority.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 17

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

The Company will endeavour to share all relevant information regarding any and all issues that involve the employees of the plant, with the Shop Committee, prior to revealing the same to the employees. The Company agrees that the Union will be provided an opportunity to discuss any of the aforementioned issues with the Company and the Company will give due consideration to the Union's Concerns.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources



LETTER # 18

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

This letter will confirm the recent discussion regarding Article 14.11 (f). The parties agree that the intent of this article is that all overtime hours made available to any employee will be charged as though they worked.

If an employee has the opportunity to work overtime, refusal will be charged if the employee is not available to be asked for whatever reason (ie. Vacation, approved leave of absence, medical leave etc.)

If the Company needs to “call in” an employee for overtime, a refusal will be charged if the employee refuses the overtime opportunity or can not be reached for any reason.

The Company is not obligated to continue to call an employee if he or she is not reached on the first attempt.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 19

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During the recent round of Collective Bargaining the parties had discussions regarding monthly Steward meetings.

This letter will confirm the agreement of the parties that once per month the Stewards will be excused from their regular duties in order to attend the monthly Steward meeting, not to exceed one (1) hour in length.

The Company agrees that they will supply a meeting room for the aforementioned meeting, and that the meeting will be considered justified paid time away from the Steward's regular duties.

Meetings will be held at the first or last hour of a shift and one weeks notice of intent to meet will be given to the Company for scheduling purposes.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER # 20

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
IH2 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During recent negotiations the Company and Union had extensive discussions regarding the role of the 2.1 classification. It is understood that to ensure the longevity and competitiveness of AEC, a more flexible workforce is required. The 2.1 classification will evolve within the lifetime of this agreement with multiple responsibilities. These responsibilities will include light material handling duties, and the interior and exterior cleaning of equipment. The company fully intends to provide it's employees adequate training to perform such work.

Other classifications will also evolve to support this effort. The Company and the Union have agreed in principal to work together to ensure that this effort supports both the Union's and Company's objective of enhanced opportunities for job security.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER #21

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During recent negotiations the Company and Union had extensive discussions regarding the role of the 14.2 classification. It is understood that to ensure the longevity and competitiveness of AEC, a more flexible workforce is required. The 14.2 classification will evolve within the lifetime of this agreement, with multiple responsibilities that are more in line with industry standards. These responsibilities will include light machine cleaning as well as machine set up. The company fully intends to provide its employees adequate training to perform such work.

Other classifications will also evolve to support this effort. The Company and the Union have agreed in principal to work together to ensure that this effort supports both the Union's and Company's objective of enhanced opportunities for job security.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

LETTER #22

Mr. Paul Mitchell  
Business Representative  
International Association of Machinists And Aerospace Workers  
182 Sheppard Avenue West  
Willowdale, Ontario M2N 1M8

Dear Mr. Mitchell

During recent negotiations the Company and the Union had extensive discussions regarding the roles and responsibilities of the grade 7.3, 10.1 and 14.4 positions. It is understood that to ensure the longevity and competitiveness of AEC, a more flexible workforce is required. The 14.4 classifications will evolve within the lifetime of this agreement, with multiple responsibilities. The 14.4 role will evolve to consist of, Non Production Stores, Shipping and Receiving functions, stockroom functions and delivery and pick up of all materials including refuse collection as currently performed by the 7.3 and 10.1 classifications.

The intent of this language is to encourage the 7.3 and 10.1 classifications to post to the 14.4 position, as openings occur and as the classification evolves to support these efforts.

Other classifications will also evolve to support this effort. The Company and the Union have agreed in principal to work together to ensure that this effort supports both the Union's and Company's objective of enhanced opportunities for job security.

Yours very truly,  
Autoliv Electronics Canada, Inc..

Paul Tucker  
Manager, Human Resources

## SUPPLEMENT

### OPERATING GUIDELINES OF THE JOINT UNION MANAGEMENT HEALTH AND SAFETY COMMITTEE

The following operating guidelines for the Joint Health and Safety Committee reflect present practices and applicable federal and provincial laws. These guidelines are subject to change by the parties and/or by changes to the Occupational Health and Safety legislation.

#### 1. MEETINGS:

The Joint Committee shall meet on a monthly basis, to discuss and make recommendations concerning unresolved Health and Safety matters, and recommend appropriate education and/or training for committee members. Prior to the conclusion of each meeting the planned date for the next meeting will be established.

#### 2. CO-CHAIRPERSONS:

The Company shall identify one Management member of the Joint Committees and the Union shall identify one Union member of the Joint Committee as Co-Chairpersons of the Committee. The Co-Chairpersons may act on the behalf of the Committee, where in agreement, on matters where consultation at a full committee meeting is not considered necessary or appropriate. The Co-Chairperson appointed by the Company shall be the Human Resources Manager or his/her designate who shall have authority to resolve safety matters in his/her capacity as the Company's Co-Chairperson. In the absence of the Union Co-Chairperson, the Union President or the Union's designate shall act on his/her behalf.

#### 3. SUMMARY OF PROCEDURE:

Minutes of the proceedings of each regular Joint Committee meeting shall be prepared by the Company for the use of committee members and shall be posted on the bulletin board.

#### 4. INSPECTION:

Joint inspections of the plant will be made by one Union member and one management member of the Joint Committee.

Such inspections shall be made monthly, and shall, if possible, include members of supervision responsible for the areas being inspected and shall precede the next scheduled meeting of the Joint Committee by at least four (4) work days.

A second member of the Joint Committee may, for training purposes, accompany the members assigned to conduct an inspection, as determined by the Co-Chairpersons to be appropriate.

#### 5. CONDITION REPORT:

When a Condition Report is initiated, the report shall be submitted to the appropriate supervisor having responsibility for the area concerned and a copy forwarded to the Safety Engineer. The Company Health and Safety Representative will monitor the operation of the procedure including content of replies, timeliness of replies, (3 working days) and estimated completion dates of any planned corrective measures.

## 6. EQUIPMENT AND TOOLS:

### A. SAFETY EQUIPMENT

The Company will provide all employees working in any unsanitary or potentially hazardous jobs with all of the necessary tools, equipment and protective clothing required. These shall be maintained and replaced where and when necessary at the Company's expense.

### B. INSTALLATION OF NEW EQUIPMENT

Any machinery or equipment being purchased for and by the Company will be reviewed with the Company Health and Safety Representative and the Co-Chairperson of the Health and Safety Committees to insure proper ergonomic features, as well as proper guarding, power lockout capabilities, etc. before being placed into production.

Involve the Union Co-Chairperson regarding new equipment installation for the purposes of reviewing and providing input into the design of such equipment prior to the final safety sign-off.

### C. INFORMATION

Inform employees adequately regarding risks relating to their work, and provide appropriate training and supervision so that employees have the skills and knowledge necessary to perform the work.

## 7. WHMIS

### A. INFORMATION -JOINT COMMITTEE

The company will advise the Joint Committee of known harmful physical agents or chemicals to which employees are exposed and protective measures and applicable emergency procedures. In addition, the Company. will inform the committee of any new harmful physical agents or chemicals prior to their introduction to the workplace, for which appropriate company

### B. INFORMATION - EMPLOYEES

Inform employees adequately regarding risks relating to their use, provide appropriate training and supervision so that employees have the knowledge to safely perform the work assigned to them.

C. WHMIS training will be reviewed by the Joint Committee and refresher training will be conducted on an annual basis or at a frequency deemed appropriate by the Committee in accordance with the Occupational Health and Safety Act of Ontario in effect on the date of this agreement.

## 8. REPORTS:

A. The Company will forward, to the Co-Chairpersons of the committee, reports as

provided in the Occupational Health and Safety Act of Ontario, copies of the Supervisor's accident report forms and copies of the Form 7 submitted to the Workers' Safety Insurance Board of Ontario.

Where practicable the Company will supply the Union Co-Chairperson of the Joint Health and Safety Committee with a copy of the Form 7 prior to its submission to the Workers' Safety Insurance Board of Ontario. When this is not possible, a copy will be made available as soon as possible.

- B. The Union Co-Chairperson will be notified of all potential lost time injuries as soon as possible in order that they may investigate such instances. Notification will take place on the date of the accident.
- C. The Joint Committee may recommend further investigation or clarification of circumstances regarding such accidents, as the committee may agree is appropriate.

9. PROGRAMMES IN EFFECT:

The Modified Work committee shall have equal Union and Management representation and shall meet once monthly to decide jointly on changes.

10. CERTIFIED WORKERS:

The Union Health and Safety Representative is responsible for identifying their alternate, the afternoon and midnight shift appointees. Notification will be in accordance with Article 7.03. The parties understand that the Union Health and Safety Representative, Co-Chairpersons, their alternate and appointees shall be "CERTIFIED WORKERS" as outlined in the Occupational Health and Safety Act of Ontario in effect on the date of this agreement.

In accordance with applicable legislation, a "CERTIFIED WORKERS" has the right to stop work where an employee's health and safety is in immediate danger.

11. EMERGENCY MEASURES AND EVACUATION PLAN:

The Company will ensure the Emergency Measures and Evacuation Plan will be kept current. The plan will include a first response team comprised of both salaried and hourly employees on a volunteer basis. The first response team will receive necessary re-training as required to be effective in responding to plant emergencies and shall have a mutually agreed to practice schedule. The Company will post a notice indicating the members of such a team. The Company will make every effort to make employees aware of the Emergency Measures and Evacuation Procedures. The Plant will conduct periodic drills, but no less than once per annum.

12. CPR TRAINING:

The Plant security and the Occupational Health Nurse are trained in CPR. Additionally, CPR courses will be made available on a periodic basis for all interested employees.



13. FIRST AID KITS:

The Company has placed emergency first aid kits in the plant at locations agreed upon by both parties.

14. MACHINE LOCK-OUT:

The Union Co-Chairperson will be notified when a machine that has been locked out for safety reasons is repaired and ready to be turned on again.

15. SPILLS TRAINING:

Supervisors and designated employees will receive adequate training in the handling of chemical spills.

16. COMMITTEE TRAINING:

The Joint Health and Safety Committee will recommend committee members for appropriate education and/or training sessions in-plant or off-site to the Training area of the Human Resources Department.

17. MODIFIED WORK PROGRAM:

It is the Company's intention that the return to work procedure be designed and implemented in such a fashion as to accommodate both returning WSIB and A & S employees. The Company does, however, recognize that each group may have its own specific requirements and that the return to work procedure may vary between the two groups in order to accommodate such differences.

18. FIRST RESPONSE TEAM:

The Company and Union agree that all members of the Joint Health and Safety Committee will be assigned to the First Response Team on their respective shifts.