

AGREEMENT entered into as of the 29th day of January, 2011

BY AND BETWEEN:

MESSIER-DOWTY INC.

Ajax, Ontario (hereinafter referred to as the "Company")

OF THE FIRST PART

and

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

Through its Local Lodge, Ajax Lodge 905,
(hereinafter referred to as the "Union")

OF THE SECOND PART

ARTICLE I

RECOGNITION AND COVERAGE

- 1.01** The Company recognizes the Union as the sole collective bargaining agent with respect to all matters arising under this Agreement for all of the Company's employees at its Ajax plant, save and except supervisor, persons above the rank of supervisor, office staff, sales staff, development department staff and security guards.
- 1.02** The term "employee" or "employees" as used in the Agreement shall mean only those employees who are included in the bargaining unit as described above unless the context otherwise provides. The masculine pronoun shall include the feminine pronoun where the context so requires.
- 1.03** It shall not be the policy of the Company to have supervisors or other employees who are excluded from the bargaining unit work on any occupation within the bargaining unit to the extent that this work will result in the layoff, prevent the recall of a laid-off bargaining unit employee, or cause loss of time to bargaining unit employees who normally perform such work. This shall not apply to emergencies or to situations involving the instruction and training of employees or the doing of experimental work.

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ARTICLE II
RELATIONSHIP

- 2.01** There shall be no discrimination on the basis of race, creed, colour, nationality, ancestry, age, disability, family status, sexual orientation, sex or place of origin, or any intimidation, interference, restraint, coercion or attempted coercion by or on behalf of the Company or Union, the members or agents or by any employee with respect to any employee because of membership or non-membership in the Union.
- 2.02** The Union agrees that there will not be any Union activities or business conducted on the premises of the Company, except as permitted by this Agreement.

ARTICLE III
MANAGEMENT FUNCTIONS

- 3.01** The Union acknowledges that it is exclusively the function of the Company to:
- (a)** Maintain order, discipline and efficiency;
 - (b)** Hire, discharge, classify, direct, transfer, promote, demote, lay-off and suspend or otherwise discipline employees, subject to the right of employees to lodge a grievance as herein provided;
 - (c)** Make, and alter from time to time, the rules and regulations to be observed by the employees; the Company recognizes that the Union cannot be and is not a party to the making of such rules and in fact only acknowledges that it is the exclusive function of the Company to proceed with certain management functions in a manner consistent with the terms of this Agreement. In the event that an employee feels that the Company has exercised any of these functions in a manner not consistent with the terms of the Agreement, a grievance may be lodged by him to that point.

(d) Generally to manage the industrial enterprises in which the Company is engaged and without restricting the generality of the foregoing, to introduce or change machine processes, to institute changes in job assignments, methods of operation, to determine the products to be manufactured, method of manufacture, schedules of production, kinds and locations of machines and tools to be used, processes of manufacturing, the engineering and designing of its products, the control of materials and parts to be incorporated in the products produced, the extensions, limitations, curtailment or cessation of operations and all other matters concerning the operation of the Company's business not specifically dealt with elsewhere in this Agreement.

3.02 The Company agrees that these functions will be exercised in a manner consistent with the other provisions of this Agreement.

ARTICLE IV **STRIKES AND LOCKOUTS**

4.01 The Company agrees that there will be no lockout of its employees and the Union agrees that there will be no strike, slowdown, sit-down or other action which will interfere with work or production.

ARTICLE V **UNION REPRESENTATION**

5.01 The Union may appoint or otherwise select employees to serve as stewards and chief stewards whose duties shall be to assist employees in presenting their grievances to the designated representatives of the Company in accordance with the Grievance Procedure.

(a) It is affirmed that any bargaining unit member who has cause to complain or who is the subject of a complaint under the Company harassment policy may request the presence of a Union representative at any step of the complaint procedure. The function of the Union representative shall be to act as a witness with respect to the content of the meeting.

(b) The Company harassment policy will be conspicuously posted in the workplace.

5.02 The Union shall also establish a Shop Committee comprising of not more than three (3) employees selected by the union. To ensure the minimum

of interference with the Company's production, it is understood that one Shop Committee member only from each work classification will attend Company/Union meetings, this member to be selected by the Union.

- 5.03** The Union shall keep the Company notified in writing of the names of its authorized stewards including the chief stewards, the members of the Shop Committee and other officers and the respective effective dates of their appointment within 48 hours of the appointment.
- 5.04** The Union acknowledges that the stewards and members of the Shop Committee have their regular duties to perform on behalf of the Company and that such persons will first receive clearance from their supervisor before they leave their regular duties. They shall state their destination to their supervisor together with the reasons and shall report again to their supervisor at the time of their return to work. Before entering any other department, they shall report to the supervisor concerned. In the processing of grievances, there shall be a minimum of interference with the Company's operations.
- 5.05** The Union may appoint or select two (2) employees to serve on the Joint Health and Safety Committee, which will operate in accordance with the Occupational Health and Safety Act of Ontario and the regulations therefore.

The parties recognize their obligation to provide a safe and healthful working environment for employees. The parties agree to use their best efforts jointly to achieve this objective. The Company shall ensure that all employees are provided with the requisite information pertaining to health and safety. The Union Joint Health and Safety representative shall have a right of access to areas of the plant for the purpose of carrying out the duties assigned to him by the current Occupational Health and Safety legislation. A worker may refuse to work or do particular work which is likely to endanger any employee.

- (a)** The Company agrees to maintain established safety and health conditions throughout its buildings and will provide protective equipment where needed. New employees will have completed all Health and Safety training within thirty (30) days from date of hire. The Company and the Union will comply in a timely manner with all concerns pertaining to Occupational Health & Safety.
- (b)** The Company shall include a study of noise levels in their evaluation criteria when investigating new machinery and processes. When possible, efforts will be made through engineering controls to reduce hazardous noise levels on existing and future installations of processes and equipment.

- 5.06** The Union President shall not be required to work on a shift other than the day shift during his term of office. In addition, the Company will arrange that at least one other member of the Shop Committee to be on day shift at any given time.
- 5.07** New employees when hired, will be introduced to the Union Steward of the employee's section by the supervisor or his designate and details of his hiring shall be supplied to the Union, within twenty-four (24) hours from starting. At the time of hire a member of the Union Plant Committee will be given sufficient time with the new employee for union orientation.
- 5.08** The Chief Steward will be provided with a telephone line for the purpose of administration of the Collective Agreement, the operation of which will be entirely at the Union's expense. Every effort shall be made to ensure minimum disruption to production requirements during working hours. It is clearly understood that this telephone is not intended for use by the general employee population in the plant. The Company will provide space for a Union filing cabinet.
- 5.09** The Company will absorb the off-job losses of time incurred by bargaining unit members while processing grievances or attending joint Company/Union meetings, in house, after clearance with supervisor, during regular working hours. Company/Union meetings, in house, which extend beyond regular working hours, will be paid.
- 5.10** The Company will make payment, on behalf of the Union, for lost time of Union representatives when conducting Union business away from the plant, provided the company has received prior notification, detailing the hours to be paid, from the Union Recording Secretary and countersigned by the Union President. The Union will reimburse the Company all wages paid plus an additional 15% to cover associated costs.
- 5.11** Bulletin Boards
The Union shall have the privilege of posting its own notices, which have been approved by the Company, at locations specified for Union business on the Company premises. The Company shall supply bulletin boards.

ARTICLE VI
GRIEVANCE PROCEDURE

6.01 It is the mutual desire of the parties hereto that valid complaints of employees should be adjusted as quickly as possible and it understood that an employee has no grievance until he has first given his supervisor an opportunity of considering his complaint. If an employee has a complaint, he shall discuss it with his supervisor within five (5) working days after the circumstances giving rise to the complaint have come to the employee's attention, or he should reasonably have knowledge of it; except an error relating to the seniority list which may be dealt with as a grievance at any time; and failing settlement, it may then be taken up as a grievance within three (3) working days following receipt of the supervisor's decision, as follows:

STEP NO. 1 (For Grievance Form System see Appendix B)

The employee, who may request the assistance of the steward, will present his written grievance in quadruplicate, to his supervisor. Failing a settlement, the supervisor shall deliver his decision in writing within three (3) working days following the presentation of the grievance to him. Failing settlement:

STEP NO. 2

Within three (3) working days after the decision is given under Step No. 1, the grievance may be submitted in writing by the employee, who may request the assistance of the Chief Steward, to the Manager of Human Resources or designate. The written grievance shall contain the nature of the grievance, identity of employee or employees who claim to be aggrieved, and the remedy sought. In addition the Grievor will state to the best of his ability the act or acts grieved, date of occurrence, the provision(s) of the Collective Agreement that has allegedly been violated. The Manager of Human Resources or designate shall deliver his decision in writing within five (5) working days after receiving the written grievance. Failing settlement:

STEP NO. 3

Within five (5) working days after the decision is given under Step No. 2, the Grievor, who may request the assistance of the Shop Committee, may submit the grievance in writing to the Department Manager or other designated representatives of the Company. A meeting will then be held within twenty (20) working days between such representative of management and the shop committee and an accredited representative of the Union shall be present at the request of either the Company or the Union. The decision of the Company at this Step shall be delivered in writing within five (5) working days following such meeting.

POLICY GRIEVANCE If the Union has a policy complaint they shall discuss it with the Human Resources Manager within five working days after the circumstances giving rise to the complaint. A policy grievance is properly filed by either party where the subject matter of the grievance concerns the bargaining unit as a whole or raises an issue of collective agreement interpretation which is of general application at the time of the filing of the grievance.

Policy grievances shall not be used to bypass the individual employee grievance process where the individual employee himself could file such grievance but chooses not to.

Failing verbal resolution with Human Resources Manager, the time limits set out in Article 6 for submitting and replying to grievances shall be applicable to Policy Grievances which shall be initially filed directly with the Human Resources Manager (or Chief Steward) at Step No. 2 of the Grievance Procedure. All provisions outlined in Step 2 with respect to the provision of particulars shall be applicable to policy grievances filed.

- 6.02** Failing settlement under the foregoing procedure of any difference between the parties arising from the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, such difference or question may be submitted to arbitration as hereinafter provided. If no written request for arbitration is received within ten (10) days after the decision under Step No. 3 is given, it shall be deemed to have been settled.
- 6.03** All agreements reached under the Grievance Procedure on behalf of the Company, the Union or any employee or employees, will be final and binding upon the Company, the Union and the employee or employees concerned.
- 6.04** Saturdays, Sundays, Plant Holidays and Vacation period will not be counted in determining the time within which any action is to be taken or completed under the provisions of Articles VI, VII and VIII.
- 6.05** Should any grievance not be submitted within the time limits specified under the Grievance Procedure, it shall be considered to have been settled unless extended by mutual agreement.
- 6.06** Any time limits specified under the provision of Articles VI, VII and VIII may be extended by written mutual agreement between the parties of this Agreement.

- 6.07** It is confirmed that the suspension of any employee by the Company is a matter which is subject to grievance and arbitration procedure.

ARTICLE VII DISCIPLINE

- 7.01** With reasonable promptitude, the Company shall notify, in writing, the chief steward, or in his absence a member of the shop committee, of any suspension or discharge outlining the reason for same.
- 7.02** No employee, after completion of his probationary period, shall be suspended or discharged without just cause. Such suspension or discharge may be the subject of a grievance.
- 7.03** Any employee who is suspended or discharged shall have the opportunity of conferring with his committee man in plant offices.
- 7.04** An employee with seniority, who feels that he has been unjustly disciplined, short of discharge, may present a grievance at **STEP NO. 1** of the Grievance Procedure. An employee who feels that he has been unjustly discharged may present a grievance at **STEP NO. 3** of the Grievance Procedure, provided that in either case the right to grieve shall be deemed to be waived if a grievance has not been presented within three (3) working days after the suspension or discharge.
- 7.05** Failing settlement by the said Grievance Procedure, a grievance regarding suspension or discharge may be submitted to arbitration as provided by Article VIII hereof and the Arbitrator shall make such settlement as deemed just.
- 7.06** When a formerly disciplined employee has accumulated a period of twelve (12) clear calendar months without further warnings, any verbal and written warnings on file will be considered inactive for future disciplinary matters.
- 7.07** When a warning notice is issued to an employee, a copy will be issued to the chief steward, or in his absence a member of the shop committee, on the same day.
- 7.08** An employee who is to be disciplined or being investigated for discipline shall have his Union representative present at the meeting if he so desires.

**ARTICLE VIII
ARBITRATION**

8.01 Whenever either party desires to submit any grievance to arbitration, written notice shall be given to the other party. Within three working days following notification, the following arbitrators' names shall be randomly picked by lot in the presence of the Union's Chief Steward and the Company's Human Resources Manager. All of the arbitrators' names shall be included in each draw. The matter shall then be submitted forthwith to the selected arbitrator. A grievance slated for arbitration shall proceed on the first date made available and mutually agreed upon by the Company and the Union.

Louisa Davie
Gerald Charney
Brian Sheehan

Stanley Beck
Susan Tacon
Wes Rayner

8.02 No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

8.03 No matter may be submitted to arbitration which has not been properly carried through all previous Steps of the Grievance Procedure.

8.04 The Arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement.

8.05 The proceeding of the Arbitrator will be expedited by the parties hereto and the decision of the Arbitrator will be final and binding upon the parties hereto and the employees concerned.

8.06 Each of the parties hereto will jointly bear the expenses of the Arbitrator.

**ARTICLE IX
SENIORITY**

9.01 The principle of seniority based on length of continuous service with the Company will be recognized as hereinafter provided. An employee will be considered on probation and will not be subject to the seniority provisions of the Agreement until after he has completed sixty-five(65) regular worked days employment with the Company. Upon completion of such probationary period, the employee's name will be placed on the seniority list of his occupational group with seniority dating from the date the employee was hired by the Company.

- 9.02** It is understood that the dismissal of a probationary employee will not be the subject of a grievance.
- 9.03** Occupational seniority lists showing the name of each employee within each occupational group will be posted on the bulletin board within thirty (30) days following the execution of this Agreement and every six (6) months thereafter.
- (a)** The Occupational Groups shall be Machine Shop, Inspection, Fitting Shop, Maintenance, Indirect Labour, and Apprentices.

LAYOFFS

- 9.04(a)**
- (i)** With the exception of the Machinist Classification, seniority within the affected classification will govern the matter of layoffs and recalls from and to the affected employee's classification. The Company will inform all laid off employees of their rights under the collective agreement.
- (ii)** An employee who is laid off from his classification shall be allowed to bump a junior employee within his occupational group provided, in the opinion of the Company, he is capable of performing the job. If the Company deems he is incapable and to deny him the job would result in his being laid off, he shall be allowed a familiarization period of up to five (5) days in the job of the person he wished to replace within his occupational group. Senior employees wishing to replace junior employees outside their classification and within their occupational group, must notify their supervisor within three (3) working days of receiving the layoff notice stating the classification he wishes to bump into.
- (iii)** The decision as to whether he is capable of performing the work of the person he wishes to replace will then be made at the end of the five (5) day familiarization period, or earlier if capability or lack of capability is demonstrated before the five (5) days have elapsed. If management decide at the stage that he is capable of performing the work, he shall be awarded the job. IF management decide at that stage that he is not capable of performing the work, he shall then be laid off, pursuant to his original lay-off notice, without further familiarization periods being allowed.

It is understood that, notwithstanding the above, familiarization periods will not be offered where to do so would endanger the safety of employees or the Company's equipment or components. It

is further understood that familiarization will not include retraining and will generally be an unsupervised period for the individual to become familiar and comfortable with the job and to prove his capability to perform the job.

(iv) The parties recognize that a wide diversity of skills and abilities exist within the Machinist classification and that not all employees classified as Machinists can perform or satisfactorily perform all jobs and / or properly run all machines within the classification.

In the Machinist classification, if an employee declared redundant wishes to displace a more junior machinist from his machine, if required, he shall be offered up to twenty (20) consecutive working days of training on that machine, in order to acquire the skill and ability to competently perform work on that machine.

Following the training period, the employee will have up to ten (10) working days to prove his ability to competently perform the job in question. If management decide at that stage that he is not capable of performing the work, he shall then be laid off pursuant to his original layoff notice.

(v) Recall shall be in order of seniority provided that the employee is capable of performing the work in question.

(vi) The company will not be obliged to apply 9.04 (a) when laying off employees for periods not exceeding, in aggregate, more than fifteen (15) working days per annum in respect of each employee.

- (b)** It is agreed that in the event of a layoff, top seniority shall be granted to not more than three (3) members of the Shop Committee provided however that there is available work which they are qualified to perform.
- (c)** The Company shall notify the Shop Committee of all layoffs prior to an employee being notified.
- (d)** No employee with seniority shall be laid off without at least fourteen (14) days notice. If the employee opts for an alternative, he can choose immediate layoff with one (1) week's pay in lieu thereof.
- (e)** Laid-off employees shall remain on the seniority list for a period of twenty-four (24) months. For employees hired after February 28, 1999 recall rights shall exist for twenty-four (24) months or length of seniority whichever is the lesser.

(f) When an employee has been recalled to, or has bumped into a different classification, he shall be returned to his former job, should the workload provide.

9.05 The Company shall take seniority into consideration when making promotions to positions covered by the Collective Agreement. Promotions or transfers to positions outside the bargaining unit are not governed by the provisions of this Agreement and during the first eight (8) weeks the employee is employed outside the bargaining unit he shall maintain his seniority. During this period he shall have the right to return to his former position in the bargaining unit. An employee entering the bargaining unit, at the end of sixty-five (65) regular worked days employment in the bargaining unit shall have his name entered on the appropriate seniority list with accumulated seniority for whatever time spent as an employee within the bargaining unit.

9.06 When an employee is transferred from one occupational group to another occupational group, he shall retain his seniority in the occupational group from which he was transferred for a period of sixty (60) calendar days after which date, if the transfer remains in effect, his total seniority will be transferred to his credit in the new occupational group.

(a) A transfer shall be defined in Article 9.06 as the placement of an employee into a different classification through the job posting procedure. When an employee is transferred from one occupational group to another occupational group or transferred within the same occupational group, he shall be considered to be on probation within the new classification for 60 calendar days. Should the employee not complete the probation period of 60 calendar days he will be placed back into his previous job.

Upon completion of the 60-calendar day probation period an employee at "start" wage rate shall advance to the "90 day" wage rate.

9.07 (a) In the event of a new position becoming available or a vacancy occurring in an existing position within the bargaining unit and which vacancy has to be refilled, a Job Posting will be placed on all bulletin boards advising of the position open.

(b) A Job Posting will remain on the bulletin boards for five (5) working days and any employee may apply in writing to the Human Resources Department. The Company will commence interviews of the applicants within fifteen (15) working days of the position being posted. The successful candidate will commence their new position within 20 working days of receiving notification of their successful bid. In the event that the Company cannot move the employee into their new position within 20 working days, they will continue to receive their current rate of pay or the new rate of the posted position, whichever is higher. In the event the job posting is cancelled, the Union and all employees bidding for the position will be notified. If within two (2) months the position remains unfilled the position will be reposted.

(c) The most senior employee bidding for the opening will be considered for the job and if a determination is to be made between employees whose ability are approximately equal, that employee having the greatest seniority shall be entitled to the preference providing he has the ability to perform the work of the job classification required.

The Company shall not consider probationary employees and employees who are classified as Jr. Fitters, Jr. Inspectors and Apprentices for job postings unless such employees are affected by layoff.

(d) Upon request, should a more senior employee be unsuccessful in bidding for a job opening, he will be informed of the reasons indicating why and if applicable training requirements that may assist him in obtaining the position on future postings.

(e) The Job Posting procedure shall apply only to the initial opening and the opening created by the move of the successful applicant. Any further job openings created shall be filled at the option of the Company. An opening shall be defined as a vacancy which cannot be filled by allocation of personnel within the occupational group concerned.

(f) Employees may be hired to fill temporary vacancies without a job posting being made. Temporary vacancies shall last a maximum of eight (8) calendar weeks or less after which it must be posted as per the collective agreement.

This does not prevent the Company and the Union from mutually agreeing to extend the eight (8) week limitation on an individual basis. However, unless there is written agreement to the contrary, the eight (8) calendar week limitation shall be respected. Should the position be made permanent, the job will be posted as per 9.07(e). Any skills or experience gained by the temporary employee while in the temporary job, shall not be used to determine him more suitable for the position than an employee with seniority who applies.

- (g) Where an employee voluntarily changes his classification to a lower-rated position through the job posting procedure the Company shall classify him at the appropriate job level in the new classification. However, he shall not be classified at a job level which is more than two (2) levels lower than his existing job level.

LOSS OF SENIORITY

9.08 An employee shall lose all seniority and shall be deemed to have quit the employ of the Company if he:

- (a) Voluntarily quits the employ of the Company;
- (b) Is discharged for cause and the discharge is not reversed through the Grievance Procedure;
- (c) Fails to report for work within his classification seven (7) calendar days after being notified by the Company following a layoff by registered mail to his address on record with the Company, or fails to advise the Company within five (5) days of his intention to report for work pursuant to the notification;
- (d) Fails to inform the Company within three (3) working days of intention not to accept a temporary recall or fails to attend work within seven (7) calendar days of the sending of notice by the Company as to the existence of a temporary recall. A recall will be considered temporary if for a period of eight (8) weeks or less.
- (e) Is absent for three (3) consecutive working days without notifying the Company unless a satisfactory reason is given;
- (f) Is laid off for a period in excess of twenty-four (24) months; or as per 9:04 (e)

- (g) Does not return to work at the expiration of a leave of absence or uses a leave of absence for a purpose other than that for which it was granted;
- (h) Refuses to accept two (2) offers of temporary recall. One refusal of a temporary recall will be allowed; any further refusals will result in loss of recall rights and removal from the seniority list. A recall will be considered temporary if for a period of eight (8) weeks or less. An employee who is recalled for a period of less than 2 weeks may refuse such recall without loss of seniority providing there is a less senior employee qualified to perform such work.

9.09 It shall be the duty of employees to notify the Company promptly of any change in address. If an employee fails to do this, the Company will not be responsible for failure of any notice provided for under this Agreement to reach such an employee.

9.10 Copies of all recall notices will be given to the Recording Secretary of the Local Lodge of the Union.

9.11 The Company will endeavour to give six (6) months notification in the event of closure or partial closure. Notwithstanding the above, there will be no monetary compensation provided in lieu of this notification other than that which is provided under Employment Standards or Article 9.04 (d) above.

9.12 TEMPORARY TRANSFERS

A temporary transfer is a period in which an employee performs work outside of his classification but within his occupational group. Temporary transfers will not exceed five (5) full or partial consecutive working days and a maximum of 40 aggregate per employee per year.

If the rate of pay for the job to which an employee is transferred is less than the employee's regular rate of pay, the employee shall receive his own higher rate of pay. If the rate of pay for the job he is transferred to is a higher rated job the employee shall receive that higher rate of pay while he is performing the job, on a temporary basis.

Temporary transfers shall not be used to fill permanent job vacancies as per Article 9.07. Temporary transfers will not result in the layoff of employees capable of performing the work within the classification. The Union will be advised in writing prior to all transfers under this section.

9.12 (a) A temporary transfer outside the occupational group may occur with the written agreement of the parties:-

9.13 TEMPORARY VACANCIES

The Company and the Union recognize that temporary employees may be required to temporarily provide additional manpower due to vacation, weekly indemnity, excess of work, etc. All temporary employees performing bargaining unit work are members of the bargaining unit and as such all terms and conditions of the collective agreement apply except as herein provided.

Individuals may be hired to fill temporary vacancies. Temporary vacancies and employees shall last a maximum of eight (8) calendar weeks.

This does not prevent the Company and the Union from mutually agreeing to extend the eight (8) week limitation on an individual basis. However, unless there is written agreement to the contrary, the eight (8) calendar week limitation shall be respected.

Should the position be made permanent, the job will be posted as per 9.07(e). Any skills or experience gained by the temporary employee while in the temporary job, shall not be used to determine him more suitable for the position than the employee with seniority who applies.

Prior to any layoff all temporary employees will be terminated.

Overtime will only be offered to temporary employees after all qualified senior and probationary employees within the classification concerned have refused. Public holidays will be paid to the temporary employees as per the Employment Standards Act Part X (10).

Temporary employees will be hired for the applicable classification and wage rate as per Appendix A of the Collective Agreement.

Should a temporary employee apply for a job posting and be successful as per Article 9.07 of the Collective Agreement the temporary employee shall then become a probationary employee.

The seniority date of a temporary employee who is awarded a full-time position will equal the date the full-time position is awarded.

No person, who is or has been employed by the Company outside of the bargaining unit, shall be eligible to work as a temporary employee within the bargaining unit, unless his record of employment with the Company has been severed in excess of one week.

ARTICLE X
LEAVE OF ABSENCE

- 10.01** The Company may grant leave of absence, without pay for a period of up to thirty (30) days for legitimate personal reasons and shall grant leave of absence up to one (1) year for military service or medical reasons as established to the satisfaction of the Company. If an employee is absent for more than twelve (12) months, he shall be deemed to have quit the employ of the Company.
- 10.02** On request of the Local Lodge, the Company will grant leave of absence without pay to not more than three (3) officials of the Local Lodge or their delegates at any one time, for the transaction of Union business and attending Trade Union Conventions, providing the leave of absence for any period is subject to Company ability to release individuals from productive duties; and if not, the Company may require the names of alternative individuals.
- 10.03** On request from the Local Lodge, the Company shall grant leave of absence without pay to an employee for a period not exceeding one (1) year for full-time employment by the Local Lodge or the International Association of Machinists provided that the number of employees who at any one time shall be granted such leave shall be mutually agreed. Seniority shall continue to accrue during such leave of absence and such employee will be rehired.
- 10.04** Notwithstanding the foregoing, leave of absences may be extended on a case by case basis with mutual agreement between the Company and the Union.

ARTICLE XI
CLASSIFICATION AND WAGE RATES

- 11.01** The classification and wage rates set forth in Appendix "A", which shall form an integral part of this Agreement, shall be in effect for the duration of this Agreement.
- (a)** The movement of an employee's rate to Level 6 shall be through an appraisal and assessment process and shall be at the sole discretion of the Company. Level 6 rates of wages shall not be subject to the rules as set out below in Article 11.03

The rates shown in Appendix "A" will remain in effect until a change is negotiated between the Company and the Union. Plant committee shall attend review meetings regarding Level 6.

- (b) The pay period will be Sunday through Saturday inclusive and shall be paid the following Friday, subject to current Revenue Canada administrative guidelines.

11.02 Should the need arise to establish a new classification, not listed in Appendix "A", the Company will advise the Union, in writing, of the new classification as well as where it will fit in the Occupational groups. The Company will also propose a rate. The classification and rate may be the subject of negotiation between the parties within ten (10) working days. Should the parties fail to reach agreement on the new classification, where the new classification fits in the classification structure as per Appendix "A", and the rate therefore, the Union may submit a grievance directly at Step No. 3. If no grievance is filed within this ten (10) working day period, the new classification and the rate will be deemed acceptable.

- (a) The parties agree it may be necessary during the life of the Collective Agreement to provide for substantial change in work assignments for an employee of an existing classification, due to change in design, material, method of manufacture or production requirements.

Where the company determines (determination will not be exercised unreasonably or discriminatory) that an employee is to be re-classified to a higher rated classification, the union shall be notified. Within 10 working days after such notice the company and union committee shall meet to determine whether such work may reasonably be assigned within an existing classification.

The parties further agree that:

1. No classification shall be changed to lower rated classification through application of this agreement.
2. This agreement shall not be used to circumvent the layoff provisions outlined in article 9.
3. Re-classification procedure is not intended to replace the job posting provisions outlined in article 9.
4. Re-classification procedure is not intended to cover the establishment of a new classification as outlined in Article 11.
5. The Company agrees to evaluate the re-classified employee's skill levels in order to determine training needs. Needs for training will be addressed as per Appendix "F" paragraph 5.
6. The re-classification shall be accompanied by an increase in pay rate, minimum of level one and maximum of level five of the

new job classification, which represents an increase over their current pay as per Appendix A.

- 11.03** The Classification and Wage Structure in Appendix “A” shall be administered in accordance to the following.
- (a) The rates of pay for any employee shall be only those rates as shown in Appendix A.
 - (b) A new employee may be hired at any of the wage rates shown. If hired at either Level 5 or 6 they must successfully meet the standards set out.
 - (c) Employees hired at the Start rate will progress to the 90-Day rate upon successful completion of the probation period.
 - (d) New employees after successfully satisfying the probation period will progress to the next wage rate shown in Appendix A in their classification at the first following date of either April 1 or October 1.
 - (e) Upon attainment of Level 4 an employee must actually perform work for a duration of 12 months at Level 4 prior to attaining the Level 5 rate.

Progression will automatically occur to Level 5 on April 1st and October 1st of each year.

Time spent on vacation and plant holidays shall be treated as time worked for purposes of the 12-month requirement necessary to attain Level 5. As well, up to a maximum of 12 days of justified absenteeism due to illness or injury or leave of absence will also be considered as time worked for the purposes of the 12 month requirement necessary to attain Level 5.

- (f) Progression to each level through to Level 5 will only occur on April 1st and October 1st of each year. Any employee below Level 6 rate must successfully achieve the standard for Level 6 prior to receiving the rate.
 - (g) Advancement to Level 6 will be at April 1 and October 1 of each year.
- 11.04** When an employee bumps into or is recalled to a lower-rated classification, he shall be frozen at the level he held in the original (higher) classification for purposes of future advancement in the original (higher)

classification. Should he return to the original (higher) classification, he shall be credited with any time previously worked at his former level in the original (higher) classification for purposes of future advancement and upon re-entering his original (higher) classification he shall be paid at the level he was earning at the time he left his original classification.

While the employee is working in the lower-rated classification, he shall, upon entry into such position, be classified at the corresponding level which he had achieved in his original classification for purposes of determining his appropriate level in the lower-rated classification. While in the lower rated classification, the employee can progress to the next level(s) in that classification in accordance with article 11.03.

- 11.05 (a)** The classifications that the Company and Union amalgamated in the 1995 Contract Negotiations are as follows: In the Machine Shop Occupational Group, Machinist consists of: Multi Spindle Cell, CNC Machine Centre Boring, CNC Lathes, Mills Lathes and Grinders, T&C Grinder. In Inspection Occupational Group, Inspector consists of: CMM/Machine Shop Inspector, Assembly/Standards Inspector, General Inspector.
- (b)** The parties have agreed to recognize Tool Setter and Tool Cutter/Grinder as separate classifications within the Machine Shop Occupational Group. In the event of layoff within the Tool Setter and/or Tool/Cutter Grinder classifications, those affected who are employed in these classifications as of February 1, 2011 will be given the option to receive six (6) months training for the purposes of maintaining employment within the Machinist Classification. Failure to maintain employment within the Machinist Classification will result in the normal application of bumping process as provided for in Article 9.04 for jobs outside of the Machinist classification.
- 11.06** Bushing Sealant Operator – Scope of the job will be sealing of bushings and surface treatment of bushings.

ARTICLE XII HOURS OF WORK AND OVERTIME

- 12.01** The normal work week will consist of forty (40) hours, (38.75 hours for shift A) provided that it is understood that it shall not constitute a guarantee of hours per day or days per week. Subject to the foregoing, all shifts shall be described in chart at 12.01 (a), Monday to Friday inclusive. Any changes to starting and stopping times will be mutually agreed. It is understood that work performed as part of, or as overtime following a

normal shift, which commenced the day before a Saturday or a plant holiday will not be considered work performed on a Saturday or a plant holiday for the purposes of paragraphs 12.05.

Notwithstanding the foregoing it is understood that the Company and the Union may agree to alter the hours of Shift C to four, ten hour shifts (Monday to Thursday inclusive) based on the request of an employee(s). The Company and the Union must discuss the impact of such a change and resolve to satisfy any problems or concerns that result, which may include the exclusion of certain machines or operations from an altered shift pattern.

12.01 (a) The three-shift pattern as stated above will be the normal shift pattern of the Company. The Company will assign employees to Shift B and C on an equal rotation basis. An employee requirement for Shift A will be bid on semi-annually from these bids, the Company will fill its' requirements. Should there be an excess number of bids, the employees will be placed on a holding list. These employees will be approached for unforeseen shift "A" requirements on a voluntary basis. Should the company be unable to fill it's requirements for shift "A" by the above procedure, the least senior capable employee within the classification concerned will be assigned the shift.

Should those employees presently working shift A fail to bid, seniority will be the deciding factor. Employees who elect to work the permanent shift may be assigned on another job within their classification if necessary with no loss of wages. Shift B and C will be manned on a two week rotation basis. Nothing in the foregoing prevents employees from mutually agreeing to exchange shifts with the parties approval. It is understood that some areas of the plant may not be involved in shift work. The allocation of shift work will be done by area and not individuals.

The hours of work for all affected employees will be as follows:

<u>Shift</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>10 Hour C</u>
Mon.	10:45 p.m. Sunday-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Tues.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Wed.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Thurs.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Fri.	12:00 a.m.-7:35 a.m.	7:30 a.m.-1:30 p.m.	1:15 p.m.-9:20 p.m.	
	<u>Shift A</u> Monday - Friday	<u>Shift B</u> Monday – Thursday	<u>Shift C</u> Monday – Thursday	<u>10 Hour Shift C</u> Monday – Thursday
Break (paid)	2:00 - 2:10 a.m.	10:00 – 10:10 a.m.	6:00 - 6:10 p.m.	6:00 - 6:10 p.m.
Wash Up (paid)	4:30 - 4:35 a.m.	12:30 – 12:35 p.m.	9:05 - 9:10 p.m.	9:05 - 9:10 p.m.
Lunch (paid)	4:35 - 4:50 a.m.	12:35 – 12:50 p.m.	9:10 - 9:25 p.m.	9:10 - 9:25 p.m.
Lunch (unpaid)	4:50 - 4:55 a.m.	12:50 – 12:55 p.m.	9:25 - 9:30 p.m.	9:25 - 9:30 p.m.
		<u>Friday Break Schedule</u> Break-paid 10:30-10:50 a.m. Break Paid 1:20 – 1:30 p.m. Employees can leave premises at 1:20 p.m.	<u>Friday Break Schedule</u> Break-paid 3:30-3:40 p.m. Wash Up-paid 6:05-6:10 p.m. Lunch-paid 6:10- 6:25 p.m. Lunch-unpaid 6:25-6:30 p.m.	

It is agreed that the first fifteen (15) minutes of the twenty (20) minute lunch break shall be paid at the employee’s regular rate.

(b) Except in an emergency, the Company will provide one week’s notice of shift change.

12.02 Late Starting will be deducted to the nearest tenth of an hour for the amount of lateness.

12.03 It is agreed that employees shall be permitted to leave the plant premises during their lunch break. Lateness in returning from lunch shall be deducted pursuant to article 12.02. Failure to return to work following the lunch break shall result in non-payment of the paid portion of the lunch break.

12.04 Employees asked to work at least two (2) hours of overtime on a regular workday will receive a fifteen (15) minute break at the end of their regular shift or at the end of the overtime if overtime is prior to the start of their shift. When an employee is asked to work overtime in excess of one and one-half (1 ½) hours beyond normal quitting time and is advised after 3.5 hours from his regularly scheduled shift start on the day in question, he shall be granted an additional fifteen (15) minutes break.

12.05 Premium overtime, on the employee's straight time hourly rate, shall be paid on the following basis:

(a) Time and one-half shall be paid for all authorized work performed on a daily basis in excess of an employee's regular shift, provided the employee works all his scheduled hours on that shift. A daily basis shall consist of a 24 hour period with the employees regular shift centrally positioned. All hours worked on Saturday, Sunday and holidays will be paid as per 12.01, 12.05 (b) (c) (d).

(b) Authorized work performed on Saturday will be paid at time and one-half for the first four (4) hours and at double time thereafter.

(c) Double (2) time shall be paid for all authorized work performed on Sundays.

(d) Authorized work performed on a plant holiday will be paid at double (2) time in addition to plant holiday pay as provided in paragraph 14.01.

12.06 Overtime work will be distributed as equally as practicable among the employees that normally perform the work. An employee may refuse overtime work provided that other qualified employees will perform the work, but if all qualified employees refuse then the Company may assign the work. For the purposes of the record of equal distribution of overtime, employees who refuse will be deemed to have worked the overtime, except those employees who have been asked after three and one-half (3 ½) hours from the start of their regular shift. The overtime distribution records will be maintained by the supervisor and will be available for review.

12.06 (a) Overtime equalization for new employees, or existing employees who have been bumped, recalled or transferred into a different classification will have their overtime hours equalized as practicable as possible as per article 12.06. Additionally, such employees shall have the average overtime hours, both worked and refused, of the employees in the new classification who normally perform the job, or the total overtime hours that he has accumulated, year to date in his previous classification, whichever is greater, entered next to his name on the overtime distribution record of the new classification.

12.06 (b) The overtime distribution record as per 12.06 shall be posted on a bi-weekly basis. Both the current and year to date records will be simultaneously posted for comparison.

When an employee is requested to work overtime, the number of hours shall be estimated and stated: that number of hours shall then be entered into the overtime distribution record.

When an employee is absent from work for one full pay period (Sunday to Saturday inclusive) excluding vacation, his average weekly overtime, both worked and refused, accumulated year to date shall be entered next to his name on the overtime distribution record. Except for those employees absent during the month of January, whose average shall be based on the previous year's record.

No employee shall be deemed to have worked more than four (4) hours overtime after completing his regular shift or more than eight (8) hours for each day worked on a weekend (Saturday and Sunday). For the purpose of the record of equal distribution of overtime, employees who refuse weekend overtime (Saturday and Sunday) will be deemed to have worked the overtime, except those employees who have been asked after 3.5 hours from the start of their Friday shift.

- 12.07** Employees required to report on a call-in basis will be paid at the appropriate overtime rate for hours actually worked or a minimum of four (4) hours at the appropriate overtime rate if hours actually worked are less than four (4) hours.
- 12.08** If an employee reports for work at the regular scheduled time for his shift or scheduled overtime shift, he shall be entitled to a minimum of four (4) hours work or pay at his standard hourly rate or overtime rate, whichever is applicable, unless previously notified by the Company not to report for work. The provision shall not apply when lack of work is due to conditions beyond the control of the Company, in which event such employee will receive a minimum of two (2) hours pay at his standard hourly rate or overtime rate, whichever is applicable.
- 12.09** Any employee, unless restricted by circumstances outside his control, who is unable to report for work must telephone his Supervisor or, if his Supervisor is not personally available, the designated reporting voicemail box informing them that he will not be able to attend.

ARTICLE XIII SPECIAL ALLOWANCES

- 13.01** Employees whose regular assigned working hours are shift "C" will be paid a per-hour off-shift premium of ninety (90) cents. Employees whose regular assigned working hours are shift "A" will be paid a per-hour off-shift premium of two dollars and fifty cents (\$2.50) effective ratification.

The foregoing off-shift premium shall not be included when computing the employee's overtime pay.

13.02 A premium of **\$1.00** per hour will be paid to Lead Hands/Under Foremen (when so designated) over the highest paid employee under his jurisdiction.

(a) A Lead Hand is a bargaining unit worker who because of his job knowledge and experience is qualified to instruct, lead, assign work, and assist other employees but will not exercise disciplinary action. Should an employee encounter difficulty with a Lead Hand the matter will be referred to the supervisor.

(b) It is clearly understood that the training of all employees and the sharing of operational knowledge between employees that currently exists shall continue in the same spirit of co-operation without monetary or premium compensation, and is unaffected by the terms of this article.

It is understood that the familiarization (a generally unsupervised period) and orientation are not considered training on their own. Although, these functions may be considered to be part of the training process.

With respect to new employees on their probationary period, the Company will assign a Lead Hand to train the employee with no additional premiums to be paid. In the event that a Lead Hand is unable or unavailable to train on any given day during the new employee's probation period, the Company may assign another employee to provide such training for that day.

Where so assigned the employee shall be paid the Lead Hand premium on a daily basis where he/she devotes the majority of his/her day to training the new employee.

13.03 Employees required to work at a location other than the Ajax plant shall be subject to the following conditions:

- 1)** Cost of travel to location and return will be paid for by the Company.
- 2)** Travelling time to location and return will be paid at straight time, to a maximum of eight (8) hours per 24 hour period.
- 3)** Overtime work will be paid as per Article 12.

- 4) The Company will reimburse all reasonable actual expenses for food, lodging, and incidentals incurred as a result of work on location. Meals on location, within the Greater Toronto Area, in which no overnight lodging is involved, will be reimbursed to a maximum of \$10.00 per meal. Employees travelling within normal business hours will be eligible for one (1) meal reimbursement only per day.
- 13.04** An employee who is called and serves on jury duty will be paid the difference between jury pay and his standard hourly rate of pay for such periods of jury duty as falls within the normal working day; provided that the Company may require satisfactory evidence of such jury duty and further provided that the employee shall report for work if released four (4) hours prior to the end of his normal shift. A similar provision is allowed for employees who are a subpoenaed Crown witness. Employees appearing as plaintiffs or defendants are excluded.
- 13.05** When bereavement occurs in the family of an employee, such employee will be paid at his regular rate for a maximum of three (3) days at the time of bereavement. One (1) day will be paid at regular rate for bereavement of a grandparent. Where an employee is bereaved while on vacation or leave of absence, up to three (3) days leave will be granted upon immediate notification to the Company. No payment shall be made in lieu of time off. An employee's family shall mean wife, husband, father, mother, foster parents, father-in-law, mother-in-law, son, daughter, brother, sister, common-law spouse, common-law children, grandchild. Common-law is dependent upon prior notification to Human Resources.
- 13.06** A claim for bereavement allowance must be presented within two (2) weeks of the bereavement and should an employee be requested by the Company to give satisfactory proof with respect thereto, he shall be obligated to do so in order to establish proper qualifications for payment.

ARTICLE XIV PLANT HOLIDAYS

- 14.01(a)** Employees who meet the qualifications set forth in paragraph 14.02 hereof, will receive the following plant holidays, with pay computed at standard hourly rate on the basis of the number of normal working hours applicable to the work day shift given as holiday. Four (4) hours pay at standard hourly rates will be paid on the above basis for the half day (Christmas Eve).

New Year's Day
Good Friday

Victoria Day
 Canada Day
 Civic Day
 Labour Day
 Thanksgiving Day

Half of the last working day before Christmas Day
 The last working day before New Year's Day
 Christmas Day
 Boxing Day
 EXTRA DAY to be fixed each year between Christmas and New Year.
 Christmas Floating Holiday #1.

Holiday	2010	2011	2012	2013
Good Friday		April 22	April 6	March 29
Victoria Day		May 23	May 21	May 20
Canada Day		July 1 Friday	July 2 Monday	July 1 Monday
Vacation		July 25 – Aug 5 (tentative)	July 23 – Aug 3 (tentative)	July 29 – Aug 9 (tentative)
Civic Holiday (in lieu of)		Aug. 1 *	Aug 6 Move to December 28, 2012	Aug. 5 *
Labour Day		Sept 5	Sept. 3	Sept. 2
Thanksgiving	Oct 11	Oct. 10	Oct. 8	
Christmas Break	December 24 – Dec 31, 2010 ½ day given on Dec 24 Return Jan 3/11	December 23 – Dec 30 ½ day given on Dec 23 Return Jan 2/12	December 21 – Jan 1 Dec 21 a normal Friday hours - ½ day given Dec 24 Return Jan 2/13	

* Note: Civic Holiday falls within vacation shutdown period – only 9 days vacation required to be taken during the respective shutdown periods.

14.02 In order to qualify for plant holiday pay, an employee must work on his regular day of employment preceding and immediately following the plant holiday, providing that the employee is not absent without permission from work on these days. If an employee is absent on either or both of such days because of authorized leave of absence, verified illness, accident, death in the immediate family or emergency illness at home and has notified his supervisor (or designated voicemail box if the supervisor is not personally available) within four hours of the start of the shift on the first

day of such absence, he will be paid plant holiday pay if not receiving sick indemnity or Worker's Compensation for the designated holiday. This will not prevent the Company from taking into consideration legitimate lateness nor the granting of permission to leave on such days.

(a) The employee who does not qualify for plant holiday pay per paragraph 14.02 and is receiving sickness/accident benefits pursuant to paragraph 18.04, will be paid the difference between his regular pay and weekly indemnity benefit for a leave of absence up to thirty (30) days. For periods in excess of thirty (30) days, he will be paid twenty-five dollars (\$25.00).

(b) When two (2) or more holidays fall on consecutive work days, should an employee fail to qualify due to being absent on the scheduled working days prior to or following the holiday, such employee shall not be penalized more than one (1) day of holiday pay.

14.03 Where any of the plant holidays referred to in paragraph 14.01 above falls on a Saturday or a Sunday and is legally proclaimed for general observance on some other day, such other day shall be considered the plant holiday.

14.04 Plant holidays for the night shift shall be declared the eve of the plant holiday or on the plant holiday, whichever is designated by the Company.

ARTICLE XV VACATIONS WITH PAY

15.01 (a) An employee with less than twelve (12) months of continuous service at 30th of June shall receive one (1) day of vacation for each completed month of continuous service up to a maximum of ten (10) days vacation.

Vacation pay will be calculated at four percent (4%) of the total pay of the employee since starting probation, in the part year for which the vacation is given.

(b) An employee with twelve (12) months and less than four (4) years of continuous service at 30th of June shall receive two (2) weeks vacation.

Vacation pay will be calculated at four percent (4%) of the total pay of the employee in the year for which the vacation is given.

- (c) An employee with four (4) years and less than ten (10) years of continuous service at 30th of June shall receive three (3) weeks vacation.

Vacation pay will be calculated at six percent (6%) of the total pay for the employee in the year for which the vacation is given.

- (d) An employee with ten (10) years and less than twenty (20) years of continuous service at 30th of June shall receive four(4) weeks vacation.

Vacation pay will be calculated at eight percent (8%) of the total pay of the employee in the year for which the vacation is given.

- (e) An employee with twenty (20) years of continuous service at 30th of June shall receive five (5) weeks vacation.

Vacation pay will be calculated at ten percent (10%) of the total pay of the employee in the year for which the vacation is given.

- (f) In the event that the vacation requests of employees entitled to more than two (2) weeks vacation, adversely affects the Company's production, the choice of vacation shall be allocated by seniority of the employees affected, within the same classification.

15.02 An employee who has already established entitlement to vacation pay in any year and who terminates his employment prior to June 30th in the current year, will receive severance vacation pay at the rate of entitlement established.

15.03 Vacations shall be taken either during a plant shutdown or by other mutual arrangements between the employee and the direct Supervisor.

The Company shall determine and announce its vacation program not later than March 1st each year. Employees will submit vacation leave requests by April 15th for the following vacation year. The Company will respond with approvals by May 1st, subject to Article 15.01 (f).

Vacation requests submitted after April 15th will be responded to (after May 1st) within five (5) days, on a first come, first serve basis, subject to Article 15.01 (f).

15.04 The total pay of the employee as used in paragraph 15.01 (a) to (e) inclusive shall include all payments made or due to an employee according to the terms of employment. Total pay will be calculated in the same manner as the monies reported on employees' T-4 Income Tax slips

less taxable benefits. Total pay shall not include profit sharing payments or other gratuitous payments not required under the Collective Agreement.

- 15.05** Where absence due to sickness or WSIB injury, verified by a medical certificate acceptable to the Company has occurred, except for the first two (2) weeks of vacation as provided for in paragraph 15.04, vacation pay will be calculated at four (4), six (6), eight (8) and ten (10) percent (whichever is applicable) of the total pay, together with four (4), six (6), eight (8) and ten (10) percent (whichever is applicable) of the pay he would have received from the beginning of the second week of absence up to and including a maximum of a further twenty-four (24) weeks of absence. Pay he would have received during absence will be calculated at his standard hourly rate, during the period of absence, based on an eight (8) hour day or a forty (40) hour week.
- 15.06** The vacation year shall be from July 1st in any year until June 30th of the following year. Vacation time is not cumulative and must be used by the end of the vacation year. In order to ensure that employees take their annual vacation entitlement, employees will be advised by the first week of March of any unused vacation entitlement, which must be scheduled no later than March 30th to be taken prior to June 30th.

The Union will be informed of all unused vacation. Vacation pay will be paid to an employee as and when vacation time is taken on the regular payday(s) during the employee's vacation time.

The only exception to this shall be the vacation pay on profit sharing amounts which is payable only to employees entitled to 4% vacation pay. This vacation pay will be included in the profit sharing payments, if any.

- (a)** The Company and the Union agree that if an employee is in receipt of benefits from W.S.I.B., W.I. or LTD for 26 consecutive weeks within the vacation year of July 1 – June 30, and the employee, with Company agreement, decides not to schedule the unused vacation between March 1 and June 30, then the employee may request the payment of the appropriate vacation pay which is owing. The 26 week time period referred to herein will only be reduced if an employee is unable to take his entitlement due to being in receipt of W.S.I.B., W.I or L.T.D. benefits at vacation year end. The payment of such money shall be deemed to be in compliance with Article 15, duty of the Company to provide for vacations.

ARTICLE XVI
GENERAL

- 16.01** Prior to leaving the plant during working hours or commencing a leave of absence, employees are required to obtain authorization from their supervisor or department head. In an emergency, where obtaining authorization is not possible, the employee shall leave word with a colleague for notification to Supervision.
- 16.02** In compliance with the Company's security regulations, all badges issued to employees must be worn at all times while in the plant and shown to the guard on entering the plant. Any access to Company property outside normal working hours or authorized overtime must have prior management approval.

ARTICLE XVII
WORKPLACE INJURIES

- 17.01** Employees who are injured at work and are sent home or to a hospital or doctor's office because of such injury, and are unable to return to work will be paid for the balance of their shift. Verification of medical unfitness for return to work may be required by the Company. Such employees must report to a representative of the Human Resources Department on a weekly basis when physically able to do so.
- 17.02** It is agreed that all reference to the Workers' Compensation Board shall apply to Workplace Safety and Insurance Board.
- 17.03** The Union will not dispute the Company's right to access of medical information from its members WCB files, provided such information is relevant to the Company's applying for relief under the Workers Compensation Secondary Injury Enhancement Fund.

The Company will notify the Union's Worker's Compensation representative of all Workers Compensation Appeals that the Company or its agent initiate.

Such information shall be provided to the Union within three (3) working days of initiating the appeal.

- 17.04** The parties agree to the spirit and intent of the Joint Modified Work program revised on December 14, 2001 and will work together to resolve return to work issues regardless of legislated changes. The Company will provide all employees with a copy of the revised program.

(a) All signed agreements between the Company and the Union regarding permanent modified work programs shall continue in effect for the life of this agreement.

17.05 If an employee applies for W.S.I.B. benefits, and has not received monies within 3 calendar weeks from the first day of absence, and such absence is continuing, then the employee may request an advance equivalent to W.S.I.B. maximum benefits, provided the employee files medical proof of disability and signs the required form. Such form will acknowledge his commitment to repay the monies advanced from W.S.I.B. benefits subsequently received or, if such benefits are denied or are insufficient, from wages or other benefits to which he may be entitled. Repayment schedules from weekly wages shall be established at a rate of \$250.00 per week but not exceeding 30% of wages. Under no circumstances will the employee be advanced monies in excess of his total vacation pay accumulated to the first day of absence.

ARTICLE XVIII HEALTH PLAN

18.01 The Company will pay full 100% Ontario Health Tax costs as provided by the Province of Ontario Medicare Programme during the life of the Collective Agreement. The Company shall maintain Medicare coverage and benefits in force as of October 1, 1992.

18.02 The Company will arrange for all members of the Bargaining Unit who make application for such coverage in the form required by the insurer, to be covered by the extra benefits (Drugs) as described in the Major Medical scheme being administered by the (London Life organization). The full 100% premium as at the first October 1989 will be paid by the Company. The Company will also absorb any future increases. The following employee benefits will not be covered; 1) all fertility drugs, 2) private hospital room coverage. Private duty nursing will be provided with an annual maximum benefit of \$25,000.00.

18.03 Province of Ontario Medicare Programme, or same coverage, and Major Medical coverage for an employee and his eligible dependents shall commence as soon as he has completed his probationary period with the Company and shall terminate on the last day of the calendar month during which he last earned wages. Except that insurance coverage for an employee (including an employee on sick leave) who is laid off pursuant to Article IX hereof, shall terminate after thirty (30) days have elapsed from date of his separation by layoff or from the last day for which he was paid in lieu of notice of layoff. In the event of an employee's death, his coverage shall terminate immediately after two (2) clear months have elapsed from date of his death.

SICKNESS/ACCIDENT INSURANCE

18.04 The Company will arrange a wage indemnification plan underwritten and administered by a recognized insurance company to provide wages at sixty-six and two-thirds (66 2/3) percent, up to \$750 in the first year, \$770 in the second year and \$790 in the third year at time of claim, for a maximum of twenty-six (26) weeks, effective first day of the month following ratification. Benefits will be payable from the first day of absence due to accident or sickness causing hospitalization and the fourth day of absence due to sickness. Total premium for such coverage will be paid by the Company.

Weekly indemnity coverage for an employee shall commence as soon as he has completed his probationary period with the Company and shall cease instantly upon cessation of the employee's active employment. No weekly Indemnity benefits will be made for a period subsequent to the employee's 65th birthday unless the claim for benefits was commenced prior to his/her 65th birthday. In that case, the employee shall be entitled to exhaust the benefit period for that claim so long as he/she otherwise qualifies for these benefits.

If an employee applies for Weekly Indemnity benefits, and has not received monies within 3 calendar weeks from the first day of absence, and such absence is continuing, then the employee may request an advance equivalent to W.I. maximum benefits, provided the employee files medical proof of disability and signs the required form. Such form will acknowledge his commitment to repay the monies advanced from W.I. benefits subsequently received or, if such benefits are denied or are insufficient, from wages or other benefits to which he may be entitled. Repayment schedules from weekly wages shall be established at a rate of \$250.00 per week but not exceeding 30% of wages. Under no circumstances will the employee be advanced monies in excess of his total vacation pay accumulated to the first day of absence.

GROUP LIFE INSURANCE

18.05 The Company will arrange a death benefit of fifty thousand dollars (\$50,000) and Accidental Death and Dismemberment of fifty thousand dollars (\$50,000) under the Group Life Insurance Plan, underwritten by a recognized insurance company.

18.06 (a) Group Life Insurance coverage for an employee shall commence as soon as he has completed his probationary period with the Company and shall terminate on the last day of the calendar month during which he last earned wages. Except that insurance coverage for an employee (including an employee on sick leave) who is laid off pursuant to Article IX hereof, shall terminate after thirty (30) days have

elapsed from date of his separation by layoff, or from the last day for which he was paid in lieu of notice of layoff.

- 18.07** The Company will contribute towards the cost of employee's safety shoes at the rate of four hundred (\$400) over the life of the Collective Agreement. In addition, painters will be provided with the total cost of one pair per year.

Benefits shall commence upon completion of probationary period and shall cease upon layoff or termination of employment.

- 18.08** The Company will pay the total cost of prescription safety glasses through a voucher system. Glasses must be obtained from a Company identified source and meet company specifications; one pair per employee every 24 months.

(a) The Company will provide a vision care benefit of up to three hundred and twenty five dollars (\$325) per employee and eligible dependant(s) every 24 months. Such benefit may be applied to laser eye surgery in lieu of lenses, frames or contact lenses.

- 18.09** The Company will arrange Health Guard Dental Benefits which will pay up to 80% of the amounts defined in the current ODA schedule and provide the choice of Dentacare Plus Dental, as per conditions described, 100% coverage. Full time employees become eligible for dental plan insurance at the completion of three (3) months active full time service. Effective first day of month following ratification. Dentacare Plus Dental will include the following benefits at 50% coverage to a combined lifetime maximum of \$2100.00. These benefits will also be put into the Traditional Fee for Service Dental Plan with an \$1800.00 lifetime maximum.

Dentures (50%)

- the first installation, including adjustments, of a partial or full denture
- replacement of a denture that is at least five (5) years old
- replacement of a temporary denture within one (1) year of it's installation
- addition of teeth to an existing partial denture

Crown and Bridgework (50%)

- inlays, onlays, post and core, and crowns
- the first installation of bridgework
- replacement of bridgework that is at least five (5) years old

Orthodontic (50%)

- orthodontic treatment or correction of malocclusion
- only dependant children under the age of 19 years are eligible

18.10 The Company may, at any time, change the insurance carrier, provided that the coverage offered to the employees shall not be reduced or altered to the detriment of employees. Should there be a detriment to the employees; then the Company shall be liable to compensate such employees. Where there is a change in carrier, the Company will provide the Union with the new carrier policy.

18.11 Pension

- i. Close the current Defined Benefit Plan to new entrants.
- ii. Introduce new contributory Defined Contribution Plan which will be;
 - 1. Voluntary for current employees who are members of the DB Plan and who wish to convert; and
 - 2. Mandatory for new hires and those current employees who are not members of the DB Plan as of January 1, 2011;

Note: - current employee/members can opt to remain members of the DB plan (Company will maintain its funding share for the current DC component for those who wish to stay in current plan (combination DB/DC plan per Article 18.11).

- iii. Per the presentation on November 18 the new DC plan would be structured as follows;
 - 1. Mandatory Membership for new employees,
 - 2. Employee pays 2% of base earnings (no change),
 - 3. Company contributes percentage of base earnings according to table below
 - a. **VOLUNTARY** employee contributions of further monies (maximum of 4% of base earnings) will be matched 50% by Company (maximum of 2% matching funds).

Age & Service Total	Company Contributions as % of Base Earnings	Employee Contributions as % of Base Earnings
<45	5.0%	2%
45-54	6.5%	2%
55-64	8.0%	2%
>65	9.5%	2%

4. Contributions will be made by the Company if the employee makes his/her contributions during absences covered by WI/LTD, WSIA or maternity/parental leaves (similar to Article 18.13).
5. Base pay is equivalent to the employee's regular weekly hours at his/her base hourly rate and does not include overtime, shift premium, vacation pay in excess of regular weekly earnings and limited to a maximum of 52 weeks of earnings per year.
6. Existing employees who choose to enter the new plan will be offered a 2% contribution holiday for 2 years (i.e. non-contributory for 2 years).

Defined Benefit Plan

- (a)** The Pension Plan for employees shall be as described in the document dated February 26, 1999 entitled Messier-Dowty Inc. Pension Plan for Employees – effective May 1, 1999.
- (b)** No changes shall be made to the Plan which would affect an employee's benefit entitlement under this Article, except by mutual agreement between the Company and the Union. The Company reserves the right to make any changes to the Plan that are required by regulatory authorities in order to maintain the registration status of the Plan. The Company will provide to the Union copies of any such amendments.
- (c)** The Company will provide each member of the Plan with an Annual Pension Statement by the end of March each year.
- (d)** The Union will be provided with an actuarial report concerning the Plan every three years. The Union will also be provided with an information return and financial statement annually.
- (e)** The Messier-Dowty Inc. Pension Plan for Employees effective May 1, 1999 will include a defined contribution provision. The Company will contribute each month 2.0% of earnings (as defined in Section 2.18 of the Pension Plan) to the defined contribution provision on behalf of each hourly employee covered under the collective agreement.

The provisions of the Pension Plan shall apply, with any applicable amendments necessary to give meaning to the defined contribution portion of the Plan. The institution of the Defined Contribution provision shall be in addition to the benefits provided by the Defined Benefit Plan.

Employees shall be vested in the Company contributions made on their behalf to the defined contribution provision, with credited interest, after two years of membership in the Pension Plan or at retirement, whichever is earlier. Withdrawal of contributions from the defined contribution provision is not permitted during continuous employment with the company. The benefits under the defined contribution provision are payable in addition to the pension benefits payable under the defined benefit provisions of the Pension Plan. Upon retirement, it will be the member's decision as to the disposition of accumulated funds, subject to applicable legislation.

The Union may appoint one member to sit on the investment committee for the Plan.

18.12 L.T.D.

The Company will pay 100% of the premiums necessary to supply an insured Long Term Disability Plan for employees with at least two (2) years seniority. Highlights of the Plan are as follows:

Benefits for qualifying employees will be 60% of regular earnings, excluding overtime, to a monthly maximum of \$1,750.00, subject to an All Source Maximum of 85% of pre-disability monthly earnings. Primary offsets are CPP, Workers Compensation, and Auto Insurance. No L.T.D. payments will be made in respect of any period which post-dates the employees 65th birthday.

Waiting period is 26 weeks during which employees must have received weekly indemnity benefits. Coverage shall cease immediately upon cessation of the employee's active employment. Receipt of benefits is contingent upon presentation of satisfactory medical evidence to the carrier.

Benefits are payable for during the first 12 months of total disability where due solely to non-occupational illness or injury, impairing an employee to the extent he is unable to work at his own occupation. Thereafter until age 65, total disability shall be defined as the complete inability to work at any occupation or job, either inside or outside of Messier-Dowty, for which the employee is suited or qualified by education, training or experience.

Benefits may be terminated if the employee:

- (i) Does not provide proof of continuing total disability;
- (ii) Does not undergo medical examinations as required by the carrier;
- (iii) Does not receive standard treatment for his condition;

- (iv) Refuses to participate in a rehabilitation program recommended by the carrier;
- (v) Does not complete or refuses to follow the terms of the Reimbursement Agreement;

18.13 Coverage for employee and their dependants will be continued for all benefits (except for LTD) during an absence from work that is due to illness or injury for which an employee is receiving income replacement benefits through the Company's WI or LTD plans or during absences covered by legislated maternity or parental provisions. Benefit coverage for employees off work due to a workplace injury who are in receipt of WSIB benefits will have the coverage for a maximum of two years. Upon an employee's death, his dependants will continue to be covered with health and dental benefits for 30 months or until the date the dependants are no longer eligible, or the date the spouse remarries (Children will still be covered).

ARTICLE XIX

MAINTENANCE OF MEMBERSHIP AND CHECK-OFF OF UNION DUES

- 19.01** It shall be a condition of employment that each employee within the bargaining unit, following completion of the probationary period, become and remain a member of the Union in good standing.
- 19.02** The Company shall, as a condition of employment of each employee who has completed forty (40) hours of employment, deduct from each weekly pay due to such employee, whatever sum is authorized by the Union Constitution as regular monthly Union dues uniformly levied upon all members and shall remit such dues for each current month by cheque prior to the tenth day of the month following the month in which such deductions are made, to the Financial Secretary of the Union. When an employee returns to work following Accident or Illness for which he received weekly indemnity benefits, the Company shall deduct (2) two times the authorized weekly Union dues for each full week the employee was on weekly indemnity benefits.
- 19.03** The Company will record on members T-4 Slips all Union dues paid by such employee.

ARTICLE XX
NOTICES

20.01 All written communications between both parties in matters concerning this Agreement shall be sent by Registered Mail or be made Personal Delivery, except in cases of expediency, then a verbal presentation will be acceptable and confirmed in writing within two (2) days thereafter, by Registered Mail, as follows:

1. To the Company
 To the Human Resources Manager

2. To the Union
 To the Recording Secretary

A copy of Company notices, pertaining to the Agreement, will be passed to the Union Recording Secretary.

20.01 (a) The Company will supply to the Union copies of all notices pertaining to the operation, structure, management, appointments, committee representation or other information as is necessary for the Executive of the Union to be informed of the Company's actions and direction.

20.02 Any notice given as above shall be deemed given and received as of the business day following the date of mailing or delivery by hand.

20.03 The Company will provide to the Union a list of member's names, on file addresses and wage rates the first week of November annually providing such information does not contravene legislation.

ARTICLE XXI
RENEWAL, AMENDMENT AND TERMINATION

21.01 This agreement shall continue in effect until September 30, 2013, and shall continue automatically thereafter for annual periods of one year each, unless either party notifies the other in writing not less than thirty (30) days and not more than ninety (90) days prior to the expiration date that it desires to amend or terminate the Agreement.

21.02 Negotiations shall begin within fifteen (15) days following notification for amendment as provided in the preceding paragraph.

21.03 If, pursuant to such negotiations, an agreement is not reached on the renewal or amendment of this Agreement prior to the current expiration

date, it shall expire unless it is extended for a specific period by mutual agreement of the parties.

- 21.04** It is understood that all previous agreements whether oral or written, by and between the Company and the Union are superseded by this Agreement.

ARTICLE XXII TRAINING

- 22.01** The Company and the Union will meet annually in December to determine the requirement for apprentices in the upcoming year.

- (a)** The Company will hire machinist and maintenance apprentices in accordance with approved apprenticeship plan of the Ontario Ministry of Colleges and Universities and in conjunction with Durham College. Classroom training, away from the plant, will be covered at the normal rate of pay. This will be carried out against regulated apprenticeship courses. The ratio of apprentices to other employees in machine categories shall not exceed one (1) to five (5). Upon completion of the normal probationary period (reference Article IX) an apprentice will establish seniority from his date of hire.

The classroom and in-plant training will be in accordance with government apprenticeship guidelines and failure to show satisfactory progress will be a cause for termination subject to the Grievance Procedure (reference Articles VI and VII).

- (b)** In the event that the Company hires junior fitters and junior inspectors the following will apply. They will be exposed to and given instruction in the various aspects of the relative position by working with qualified personnel in order to gain the necessary skills and experience to properly perform the job duties on their own. They will progress to the classification of fitter or inspector after 1800 hours worked so long as their job performance and skills so warrant in the opinion of the Company.

In any case, they will progress to the classification of fitter or inspector after 4000 hours worked.

The employee will be paid at the start rate of inspector or fitter and serve a 90-calendar day waiting period before progressing to 90-day rate.

The employee will retain their seniority date upon acceptance of the offer of inspector or fitter.

Twice annually junior fitters and junior inspectors shall be provided with a performance evaluation by supervision.

(c) The Company and the Union shall establish a joint apprenticeship committee made up of two members from the Company and two members for the Bargaining Unit.

The Company and Union shall each determine their own committee representatives.

It is not the intention of this article to restrict management rights of flexibility to manage apprentice work assignments.

The goal of the committee shall be:

To meet prior to the commencement of the apprenticeship to assist management in developing a structured timetable to expose apprentices to all areas of their trade offered through Messier Dowty processes. It is the intention of the parties that apprentices will follow the structured timetable; however, it is understood that timetable deviations may occur for various reasons. The schedules shall include classroom training as required by the Ontario Ministry of Colleges and Universities.

To participate in meaningful discussions following bi-annual performance evaluations with a focus of improving the apprenticeship program.

The Company will arrange for an informational presentation on Apprenticeship Programs for initial committee members.

22.02 (a) The pay scale for an apprentice in relation to the minimum rate of the Machinist classification will be as follows:

Start	50%
1000 Hours	55%
2000 Hours	60%
3000 Hours	65%
4000 Hours	75%
5000 Hours	85%

(b) The pay schedule for plant Maintenance 'A' apprentices in relation to plant Maintenance 'A' classification will be as follows:

Start	60%
2000 Hours	70%
4000 Hours	80%
6000 Hours	90%

(c) Upon completion of the hours and passing the certification exam the company shall hire the apprentice as a machinist/maintenance A. The apprentice will be paid at the start rate of machinist/maintenance A and serve a 90 calendar day waiting period before progressing to the 90 day wage rate.

The apprentice will be awarded their full seniority as “date of hire” upon acceptance of the offer of machinist/maintenance A.

22.03 Notwithstanding Article IX hereof, the Company may retain up to four (4) employees in the apprenticeship program who would be protected in the event of layoff.

22.04 The Company and the Union shall establish a Developmental Training Committee made up of 3 members from the bargaining unit comprising of one (1) machinist, one (1) fitter and one (1) inspector, and (3) three members from the Company. The Company and the Union shall determine their own committee members. The mandate of the committee is to assist management in identifying core competencies. The committee will initially meet on a quarterly basis until competencies are determined, annual meetings will continue thereafter. Such committee will be chaired by the Manager of Organizational Development and Recruitment.

The Company will arrange for an informational presentation on training programs for initial committee members.

APPENDIX ' A '
Classification and Wage Rates
October 1, 2010

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	27.33	28.39	29.46	29.93	30.42	30.89	31.34	33.24
Tool & Cutter Grinder	27.33	28.39	29.46	29.93	30.42	30.89	31.34	33.24
Tool Setter	27.33	28.39	29.46	29.93	30.42	30.89	31.34	33.24
Honing	22.38	22.73	23.06	23.51	24.00	24.45	24.69	26.57
HVOF/Shot Peen Operator	23.91	24.72	25.51	26.10	26.68	27.29	27.86	29.77
Metal Finisher	20.59	21.03				21.80	23.68	25.51
Bushing/Sealant Operator	20.59	21.03				21.80	23.68	25.51
Tool Stores	19.92	20.59						22.50
INSPECTION								
Inspector	25.92	26.80	27.71	28.20	28.68	29.17	29.67	31.61
Flaw Detection	25.92	26.80	27.71	28.20	28.68	29.17	29.67	31.61
Inspector Shipping/Receiving	23.59	23.96	24.31	24.74	25.17	25.57	25.98	27.88
Junior Inspector	19.92	20.59						22.50
Quarantine Stores	19.92	20.59						22.50
FITTING SHOP								
Fitter	23.91	24.72	25.51	26.10	26.68	27.29	27.86	29.77
Junior Fitter	19.92	20.59						22.50
Painter	23.59	24.24	24.91	25.26	25.53	25.88	26.19	28.08
MAINTENANCE								
Maintenance A	27.33	28.39	29.46	29.93	30.42	30.89	31.34	33.24
Maintenance HVAC	27.33	28.39	29.46	29.93	30.42	30.89	31.34	33.24
Facility Maintenance	23.84	24.32	24.82	25.33	25.84	26.35	26.46	28.08
INDIRECT LABOUR								
Stores Receiver	19.92	20.59						22.50
Material Handler	19.92	20.59						22.50

APPENDIX ' A '
Classification and Wage Rates
October 1, 2011

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	27.88	28.96	30.05	30.53	31.03	31.51	31.97	33.90
Tool & Cutter Grinder	27.88	28.96	30.05	30.53	31.03	31.51	31.97	33.90
Tool Setter	27.88	28.96	30.05	30.53	31.03	31.51	31.97	33.90
Honing	22.83	23.18	23.52	23.98	24.48	24.94	25.18	27.10
HVOF/Shot Peen Operator	24.39	25.21	26.02	26.62	27.21	27.84	28.42	30.37
Metal Finisher	21.00	21.45				22.24	24.15	26.02
Bushing/Sealant Operator	21.00	21.45				22.24	24.15	26.02
Tool Stores	20.32	21.00						22.95
INSPECTION								
Inspector	26.44	27.34	28.26	28.76	29.25	29.75	30.26	32.24
Flaw Detection	26.44	27.34	28.26	28.76	29.25	29.75	30.26	32.24
Inspector Shipping/Receiving	24.06	24.44	24.80	25.23	25.67	26.08	26.50	28.44
Junior Inspector	20.32	21.00						22.95
Quarantine Stores	20.32	21.00						22.95
FITTING SHOP								
Fitter	24.39	25.21	26.02	26.62	27.21	27.84	28.42	30.37
Junior Fitter	20.32	21.00						22.95
Painter	24.06	24.72	25.41	25.77	26.04	26.40	26.71	28.64
MAINTENANCE								
Maintenance A	27.88	28.96	30.05	30.53	31.03	31.51	31.97	33.90
Maintenance HVAC	27.88	28.96	30.05	30.53	31.03	31.51	31.97	33.90
Facility Maintenance	24.32	24.81	25.32	25.84	26.36	26.88	26.99	28.64
INDIRECT LABOUR								
Stores Receiver	20.32	21.00						22.95
Material Handler	20.32	21.00						22.95

APPENDIX ' A '
Classification and Wage Rates
October 1, 2012

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	28.44	29.54	30.65	31.14	31.65	32.14	32.61	34.58
Tool & Cutter Grinder	28.44	29.54	30.65	31.14	31.65	32.14	32.61	34.58
Tool Setter	28.44	29.54	30.65	31.14	31.65	32.14	32.61	34.58
Honing	23.29	23.64	23.99	24.46	24.97	25.44	25.68	27.64
HVOF/Shot Peen Operator	24.88	25.71	26.54	27.15	27.75	28.40	28.99	30.98
Metal Finisher	21.42	21.88				22.68	24.63	26.54
Bushing/Sealant Operator	21.42	21.88				22.68	24.63	26.54
Tool Stores	20.73	21.42						23.41
INSPECTION								
Inspector	26.97	27.89	28.83	29.34	29.84	30.35	30.87	32.88
Flaw Detection	26.97	27.89	28.83	29.34	29.84	30.35	30.87	32.88
Inspector Shipping/Receiving	24.54	24.93	25.30	25.73	26.18	26.60	27.03	29.01
Junior Inspector	20.73	21.42						23.41
Quarantine Stores	20.73	21.42						23.41
FITTING SHOP								
Fitter	24.88	25.71	26.54	27.15	27.75	28.40	28.99	30.98
Junior Fitter	20.73	21.42						23.41
Painter	24.54	25.21	25.92	26.29	26.56	26.93	27.24	29.21
MAINTENANCE								
Maintenance A	28.44	29.54	30.65	31.14	31.65	32.14	32.61	34.58
Maintenance HVAC	28.44	29.54	30.65	31.14	31.65	32.14	32.61	34.58
Facility Maintenance	24.81	25.31	25.83	26.36	26.89	27.42	27.53	29.21
INDIRECT LABOUR								
Stores Receiver	20.73	21.42						23.41
Material Handler	20.73	21.42						23.41

APPENDIX ' B '
GRIEVANCE FORM SYSTEM

STEP NO. 1

- a. Grievor completes grievance form - 4 copies
- b. Union Official countersigns all 4 copies
- c. All 4 copies passed to Supervisor
- d. Supervisor, if satisfied that procedure is correct, signs that he has received grievance.
- e. Supervisor gives decision in block provided, retains green copy and returns remaining 3 copies to Union Official.
- f. Union Official signs as received.

STEP NO. 2

- a. If Grievor dissatisfied, 3 copies of grievance form pass to the Manager, Human Resources or designate.
- b. The Manager, Human Resources or designate signs as received.
- c. The Manager, Human Resources or designate gives decision in block provided, retains pink copy and returns remaining 2 copies to Union Official.
- d. Union Official signs as received.

STEP NO. 3

- a. If dissatisfied, 2 copies of grievance form passed to Department Manager.
- b. Department Manager signs as received.
- c. Member of Management gives decision in block provided, 1 copy of grievance form being retained by Human Resources and Other copy being returned to Union Official.
- d. Union Official signs as received.
- e. If during the foregoing the Grievor withdraws the grievance, he will sign in the appropriate place on remaining copies.

APPENDIX 'C' ASSESSMENT OF LEVELS

Assessment of Level 6 within each classification (where appropriate) will take place semi-annually, on the first Monday in April and the first Monday in October.

This assessment will be carried out by Manufacturing Manager, Quality Manager and the Machine Shop Manager, except in the case of the Fitting Shop where the Fitting Shop Manager will replace the Machine Shop Manager. A Union representative will be invited to attend review meetings. Employees may request, in writing, the reason(s) for not achieving the classification Level expected. These reason(s) will be provided, in writing, by the Supervisor.

Metal Finishers who attain Level 5 will be provided the opportunity to train on the Robotic Deburrer on a voluntary basis. Movement to Level 6 will occur if the following two conditions are met:

1. The Level 5 Metal Finisher has demonstrated the ability to operate the robot and
2. A minimum of 6 months has been spent at Level 5.

Movement to Level 6 will occur on October 1 or April 1.

If there are no eligible employees, and the Company required more operators, the next highest seniority individuals will be provided the training. Operators of the robot, where possible, will be required to do metal finishing on their bench while the robot is operating and in the absence of work for the robot.

APPENDIX 'D' JUNIOR FITTER CLASSIFICATION

The ratio of Jr. Fitters to Fitters will not exceed 1:5 throughout the Company.

APPENDIX ' E ' COLA

Using the 1971 Consumer Price Index, in year two of the contract, once the CPI change reaches 4.5% over the September 2011 base, a COLA bonus of \$.01 for each .35 change in the index, will be paid at the end of the following quarter. COLA will be subject to an annual cap of \$.35 per hour.

Using the 1971 Consumer Price Index, in year three of the contract, once the CPI change reaches 4.5% over the September 2012 base, a COLA bonus of \$.01 for each .35 change in the index, will be paid at the end of the following quarter. COLA will be subject to an annual cap of \$.35 per hour.

Payment will be made in the form of a lump sum amount and will be calculated on total hours worked during the period for which COLA applies. It is agreed that the last period for which COLA was payable under the previous contract ended on September 30, 2010.

APPENDIX 'F' CONTINUOUS IMPROVEMENT

1. The Company and the Union agree that, it is to their mutual benefit and sound economic and social goal, for the Company to continuously improve its processes and methods, in order to increase its efficiency and the quality of work life and the productivity of employees. In this way, the Company will be able to compete effectively in the marketplace and thereby provide economically secure jobs for its employees.
2. Changes may take many forms - new machinery, new processes, new products or other new ways of working.

The Company and the Union recognize that a system of continuous improvement is necessary to enable the Company to compete in its chosen market. Specifically, it is a prerequisite for doing business with Boeing that such a system exists and that it is maintained and operated effectively. Such a system should also enhance the quality of work life for employees at the Company by removing barriers to their involvement in the business, identifying and meeting training needs, improving their ability to do a quality job and removing obstacles.

3. The principles of "Total Quality Management" are agreed by the Company and the Union to substantially meet these requirements and as such, to be beneficial to employees, the Company and its customers. Both parties acknowledge that Total Quality Management is a broad subject but that, for the purposes of this agreement, the following principles are agreed to be important.
 - i) Employees should be encouraged to contribute to improving the business through involvement in teams.
 - ii) Management recognizes the need for employee involvement in decision-making.

- iii) The identification and elimination of waste is the responsibility of management and employees.
 - iv) Employees should be well informed, consulted about changes, trained to work in new ways and generally involved in the business.
4. Both parties agree that it is not the intention of this agreement, nor is it the Company's intention in introducing the changes described above, to reduce the workforce through such changes.
 5. Where training is required in order to facilitate the changes required, such training will be given in regular hours at regular pay.
 6. Individuals who wish to follow broader training programs (i.e. training which is not specifically required for their current job, but which is of potential benefit to their career with Messier-Dowty) will be supported by the Company for the cost of such programs, up to a maximum of \$700 total per calendar year. In addition to the cost of training, the cost of required textbooks will also be supported by the Company. These courses will be followed in an individual's own time. Payment for courses specifically job related will be paid in full. The Company will accommodate such training with unpaid time off where required.
 7. Some training programs may be deemed partially relevant and as such may be offered on a "50:50" basis - one hour paid time and one hour of the individual's time. These programs will be optional.
 8. Meetings will be held at least once per quarter between the Company and the Negotiating Committee of the Union to discuss progress or problems in implementing change. Both parties agree that more frequent meetings may be required and either party may call a meeting by giving written notice to the other party, such meetings to be held within ten (10) working days.
 9. **Electronic Surveillance**
Employee identification cards and electronic surveillance equipment will not be used for surveillance of employees, nor will such equipment be installed in lunchrooms or restrooms unless discussed with the Union committee. Information gathered through any form of electronic surveillance shall not be used as the sole measure for disciplinary purposes against any member of the bargaining unit.

APPENDIX 'G'
HUMAN RIGHTS/ HARASSMENT TRAINING

During regular working hours the Company will provide facilities and opportunity for an IAM Instructor to present to all bargaining unit members, supervisors and supervisory staff hired after March 1/00 a Human Rights/Harassment program as presented to the Company.

Said program shall not be limited to less than or exceed 75 minutes in duration. The Company's Human Resources representative will participate in and evaluate all training sessions. Training shall commence no later than March 1 and be completed before September 30, the last year of the collective agreement.

Training may be discontinued if the Company feels it is being conducted in an inappropriate manner after meaningful consultations with the union have taken place and such consultations fail to resolve Company issues.

LETTERS of UNDERSTANDING

#1 - Students

The Company and the Union agree that the hiring of students is of sound social and economic benefit. Therefore in order to facilitate this benefit the following is agreed:

1. Students shall not be employed while any bargaining unit employee is on lay off.
2. Students shall not perform production work but only general labour functions.
3. All Students will receive in house health and safety training prior to commencing work.
4. In order to qualify for these positions applicants must be presently full-time students.
5. Wages shall be paid at the rate of \$11.00 per hour with overtime paid as per the Collective Agreement.
6. No student shall work in excess of 48 hours per calendar week.
7. Applications shall be made no later than April 30th each year.
8. Students are only eligible for Christmas and summer employment.

#2 – Vendor Managed Inventory

The parties agree to the following process for Vendor Managed Inventory (VMI). Vendor Managed Inventory (VMI) for the purposes of this Letter of Understanding refers to the delivery of hardware, bushings and consumables (Collectively referred to as materials) to the shop floor work centres.

1. Suppliers will deliver materials to the MD Shipping/Receiving department.
2. MD employees will be responsible for the delivery/stocking material at the storage or work locations in the presence of the supplier's representative.
3. Suppliers, through the attendance of their employees at the VMI work locations will be responsible for tracking of inventory levels using scanning/physical count to ensure proper replenishment.
4. Suppliers may stock vending machines with necessary consumables (gloves, batteries, tooling inserts etc.).
5. It is understood that the implementation and operation of the VMI process will not directly cause the layoff of any bargaining unit employee who is employed as of January 1, 2011.

#3 - Employee Assistance Programs

The Company has established an Employee Assistance Program (EAP) with the acceptance of the Union for all full-time employees (employee past their probation period) and their immediate families who may require assistance to resolve personal, social or health problems which may or may not arise out of the workplace.

The Company will:

- a) Adopt procedures which fully respect the principle of confidentiality.
- b) Ensure that an ongoing education program is implemented so that supervisors and Union stewards are aware of the plan and its benefits.
- c) Agree that any refusal to participate in the program must not make the worker subject to discipline. The program is totally voluntary; there will be no formal or mandatory referrals.
- d) Provide leave as necessary, to meet workers needs in meeting with referred to specialists.
- e) Assist the Union with an annual evaluation program through the use of an anonymous questionnaire.

#4 – Weekend Shift

In the event that a weekend shift is proposed by the Company to meet production requirements, the parties will engage in meaningful discussions to reach mutual agreement. No weekend shift will be implemented without mutual agreement between the parties.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives this 29th day of January, 2011.

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

Dave Thompson

Doris Duck

Danny Robertson

Shane Kingston

Bill Shipman – For the International

MESSIER DOWTY INC.

Steve Lincoln

Dave Muir

Patrick LeClair

Patricia Killin