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| TERM. | 2001 | 11 | 03 |
| No. OF EMPLOYEES | 290 | | |
| NOMBRE D'EMPLOYÉS | LP | | |

nt between

THE STANLEY WORKS
SMITHS FALLS PLANT
SMITHS FALLS, ONTARIO

and

STANLEY TOOLS
EMPLOYEES ASSOCIATION
SMITHS FALLS PLANT

November 2, 1998

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INDEX

| | PAGE |
|--|-------|
| Arbitration | 9 |
| Association Dues | 17 |
| Association Recognition | 2 |
| Bereavement Pay | 16 |
| Discharge Of An Employee | 11 |
| Function Of Management | 3 |
| General | 19 |
| General Purpose Of Agreement | 1 |
| Grievance Procedure | 9 |
| Health And Sanitation | 18 |
| Holidays | 15 |
| Jury Duty or Crown Witness | 17 |
| Leaves Of Absence | 8 |
| No Discrimination | 23 |
| No Strike Or Lock-Out | 3 |
| Seniority | 4 |
| Termination | 24 |
| Vacations With Pay | 13 |
| Wage Rates And Benefits | 19 |
| Working Hours | 11 |
| Appendix C | 25-27 |
| Appendix D | 28 |

AGREEMENT

This Agreement effective the 2d day of November, 1998

BETWEEN: THE STANLEY **WORKS**
SMITHS FALLS PLANT
SMITHS FALLS, ONTARIO
hereinafter called the "COMPANY"

and

The employees of the Company as
represented by the STANLEY TOOLS
EMPLOYEES ASSOCIATION,
SMITHS FALLS PLANT
hereinafter called the "ASSOCIATION"

ARTICLE 1

GENERAL PURPOSE OF AGREEMENT

The general purpose of this Agreement is to establish and maintain relations between the Company and its employees, to provide a method of prompt and equitable settlement of grievances, and to establish and maintain mutually satisfactory working conditions, hours, and wages of all employees who are subject to the terms of this Agreement. It is mutually understood and agreed by the parties hereto that this Agreement cancels and replaces all previous Agreements between the Company and the Association.

ARTICLE 2
ASSOCIATION RECOGNITION

2.01 The Company recognizes the Association as the sole representative of all employees (as hereinafter defined) for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

2.02 The employees recognized as appropriate for the purpose of collective bargaining and represented by the Association are as follows:

All employees of the Company except:

- (a) Supervisors
- (b) Persons above the rank of Supervisor
- (c) Office staff and salaried employees

2.03 The Company recognizes, and will not interfere with the rights of its employees to become members of the Association and will not discriminate against, interfere with, restrain or coerce employees because of membership in the Association. The Association agrees not to intimidate or coerce employees into membership nor to solicit membership on Company property during work hours.

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2.04 The Association shall supply the Company with the following:

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- (a) A current list of the officers of the Association.
- (b) The current names of the Chairman and members of the Negotiating Committee [not more than six (6) hourly employees or five (5) hourly employees and one outside consultant] who are authorized to deal with the Company on all matters concerning the administration of the Agreement and all proposals for the renewal or modification thereof at the proper time.

(c) The current names of the Chairman and members of the Grievance Committee who are authorized to deal with any grievance as provided in Section 7.02 (c) of the Agreement.

2.05 The President, Vice-president and Chairman of the Grievance Committee shall head the seniority list of the plant during their terms of office for purposes of layoff and recall, and shall be assigned to the day shift, provided they can perform the work available efficiently.

2.06 It is the responsibility of all employees to keep the Company informed at all times of their current addresses and telephone numbers.

ARTICLE 3
NO STRIKE OR LOCKOUT

3.01 The Association will not cause, or permit its members to cause nor will any member of the Association take part in any sit down, stay in or slow down, in any department, or any strike or stoppage of any of the Company's operations, or any curtailment of work or restriction of or interference with production, or any picketing of the Company's premises, during the life of this Agreement.

3.02 The Company agrees that there will be no lockout during the life of this Agreement.

ARTICLE 4
FUNCTION OF MANAGEMENT

4.01 It is agreed that the Company has the right to direct generally the work of the employees and to hire, discharge or suspend employees for just cause and also to demote, promote, or transfer them for proper cause, and to lay off because of lack of work.

4.02 It is agreed that it is the exclusive right of the Company to:

(a) Maintain order, discipline and efficiency.

(b) Discharge any employee for any of the following reasons: inefficiency; absenteeism; reporting for work or being on Company property in a condition unfit to work after taking alcohol or illegal drugs; engaging in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance or alcoholic beverages anywhere on Company property, including the parking lots, or on Company time; unauthorized possession of Company property; violation of Plant Rules and Regulations; insubordination; or any breach of the provisions of the Agreement. In addition to the specific violations listed above the Company reserves the right to discharge any employee for just cause.

(c) Manage, in its entirety, the industrial enterprise in which it is engaged, and to retain full control regarding working hours, over-time, products, designs, methods of manufacture, production schedules, machines, tools and materials used in this enterprise.

(d) Alter, amend, and to formulate plant Rules and Regulations of observance by all employees. Such rules shall not be inconsistent with the provisions of this Agreement.

(e) Formulate and declare Company policy.

(f) It is understood and agreed that any of the rights, powers or authority the Company had prior to the signing of this Agreement are retained by the Company, except those specifically abridged, delegated, granted or modified by this Agreement.

ARTICLE 5 SENIORITY

5.01 Rules respecting seniority are designed to give employees an equitable measure of security based on length of service with the Company. In all cases of lay-offs or increase of staff, the following factors shall govern:

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(a) Ability, skill, experience

(b) Length of service.

Where factor (a) is relatively equal, factor (b) will govern.

5.02 Seniority will operate on a plant wide basis.

5.03 In all questions of layoff, determining classifications, and rehiring of employees the decision of the Company shall prevail. In all questions of grading of employees the decision of the Company shall prevail, subject to challenge from the Association under Article 18.12.

5.04 (a) A new employee shall be considered probationary and will not be placed on a seniority list until he has completed three months continuous service with the Company at which time he shall be considered a regular employee and seniority will start from the hiring date.

(b) Temporary employees may be hired at any time to perform work required by the Company. Such employees shall not receive any benefits nor have any seniority during their period of temporary employment, however, if an employee hired as a temporary employee completes six (6) months continuous service with the Company such employee shall be considered a regular employee and seniority will start from the most recent hiring date.

5.05 (a) The Company shall post for five (5) working days a notice of any permanent job opening, or any temporary vacancy projected to last more than two (2) months. The posting shall list the skills required for the job. Employees signing the bid sheet shall be considered on the basis of their ability, skill, experience and length of service. Employees who are absent from the plant may, either themselves or through a third party, sign the bid sheet, provided they return to their jobs in the plant within four (4) days of the date the Company removes the job posting. When two (2) or more employees are being considered and their ability, skill and experience are relatively equal the most senior qualified employee will be selected for the job. Experience gained while on temporary transfers will not be recognized in the filling of any posted vacancies, however, experience gained while on a temporary job filled by posting will be recognized.

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The Company shall provide the Association with a copy of each posted job sheet, job description, and the name of the successful bidder.

The selected employee bidding into a job below labor grade 15 shall be given a trial period of up to five (5) working days on the new job and the selected employee bidding into a job at or above labor grade 15 shall be given a trial period of up to ten (10) working days during which time the employee may return to his former job or be disqualified by the Company and return to his former job. The trial period may be extended by the Company when necessary. An employee who is selected to fill a permanent job opening may not bid on a lateral or lower labor grade job for a period of six (6) months from the date he was selected to fill the permanent job opening.

(b) Temporary vacancies projected to last two (2) months, or less, shall be filled at the discretion of the Company.

(c) Any employee transferred to a job not covered by this Agreement and then later returned to a job covered by this Agreement shall return with no loss of seniority.

(d) Successful bidders on any temporary job posting shall return to their regular jobs, rates of pay, and shifts in which they left upon completion of the temporary job posting.

There may be exceptions when in good faith the temporary vacancy was expected to last less than 2 months, but due to continued absence or production needs the temporary vacancy lasts longer. In such cases the Company will discuss the situation with the Association. Employees on temporary transfer either at Company discretion or through a temporary bid will be eligible for any overtime required in the job they

have temporarily transferred to and will not be eligible for overtime in their regular classification, on such day, unless other employees outside their regular classification are asked to work overtime in their regular classification.

5.06 Seniority of an employee shall terminate if:

(a) An employee voluntarily quits.

(b) An employee is discharged.

no.e.1 (c) Due to layoff because of lack of work, an employee on the seniority list is absent from the Company's service for a period of one (1) year.

(d) An employee previously laid off due to lack of work fails to report for work within five (5) days after having been recalled by a telephone call and a registered letter or letter sent via an overnight courier service addressed to the last address recorded with the Company, unless within such initial five day period, he/she makes arrangements suitable to the Company for his/her return to work at a later date. If no telephone contact is made, the letter serves as notice of recall.

(e) An employee fails to return to work at the expiration of a leave of absence.

5.07 Any employee whose seniority has been broken in accordance with paragraph 5.06 shall, upon being rehired, be considered a new employee.

5.08 In case of temporary lay-off, seniority shall not apply, but the employees normally on the job shall be sent home. After a temporary lay-off has lasted for five (5) consecutive days, the normal lay-off provisions set out hereunder will be observed. The Company will attempt to provide as much notice of a layoff as possible, regardless of the duration of the layoff.

5.09 Normal lay-off provisions other than a temporary lay-off, will take the following steps:

(a) Temporary employees in the classification to be reduced shall be laid off prior to any regular or regular probationary employee.

(b) Probationary employees in the classification to be reduced shall be laid off prior to any regular employee.

(c) The least senior employee(s) in the classification to be reduced will be removed from the classification and may take a voluntary

layoff, provided no new employee is required to be hired as a result of the voluntary layoff; fill an open job; or displace the least senior employee in any other classification in the plant, provided the employee can satisfactorily perform the work required in the open job or other classification at the time of the bump.

Employees bumping into a labor grade 14 or below job will be given five (5) working days to demonstrate they can perform the work required in the job. Instruction during such five (5) working day period will be provided if the employee requests it. An employee unable to perform the work required by the end of the five (5) working day period shall be laid off. *10.d*

(d) When the Company identifies a particular classification as one which it plans to permanently eliminate from the plant, the employee(s) permanently displaced in such classification(s) shall exercise their rights under Article 5.09(c) of the collective agreement.

(e) Employees involuntarily laid off more than 13 consecutive weeks will be eligible for notice pay under the Employment Standards Act after 13 weeks of layoff, without giving up their recall rights. Also, such employees will be eligible for benefit continuation during their statutory notice period. Any working notice provided the employee shall count toward the company's obligations under the Employment Standards Act. Employees involuntarily laid off more than 35 weeks may collect severance pay under the Employment Standards Act, but must give up their recall rights and terminate employment to receive such severance pay. *10.b 1*

(f) For purposes of any notice or severance payments due under the Employment Standards Act, the Company shall recognize an employee's total continuous service with Beach Industries and The Stanley Works.

(g) Employees will be recalled to their classification in order of seniority, regardless of which shift the particular vacancy may be on. However, the Company will make a reasonable effort to re-establish employees in their former occupations prior to layoff, and it is agreed that no new employees are engaged within the affected classification until all employees within the classification are re-established. If there is no employee displaced from the classification where the vacancy exists, either working elsewhere in the plant through a bump or laid off to the street, and no employee bids on the open job, the senior qualified employee on layoff will be recalled to the vacancy, regardless of shift. A failure to accept any recall will be considered a voluntary quit.

(h) Upon recall the recalled employee will be eligible for all group insurance benefits without beginning a new waiting period.

5.10 The Company reserves the right at all times to hire an employee in labor grades 15 and above without seniority, where his or her skill and ability cannot be replaced by the skill and ability of any laid off employee.

ARTICLE 6

LEAVES OF ABSENCE

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6.01 Personal leaves of absence may be granted at the sole discretion of the company and seniority shall continue to accrue during such leave of absence period. Employees requesting a personal leave of absence must submit a written request for such leave to the plant manger or his designee stating the expected starting and ending dates of the leave and the reason supporting their request for the leave. The plant manger or his designee receiving such written requests shall, within five working days, respond to the requesting employee in writing by either approving or denying their request. When the plant manger or his designee denies an employees request for personal leave, they shall include a brief explanation supporting their decision. Personal leaves of absence may not extend for a period of more than six (6) months or the employee's length of service at the time the leave commences, whichever is less.

6.02 An employee who has completed his probationary period shall, upon receipt of medical documentation satisfactory to the Company, be granted a leave of absence for a non-occupational illness or disability for a period of up to one (1) year or the employee's length of service at the time the leave commences, whichever is less. Seniority shall continue to accrue during such leave.

6.03 An employee who has completed his probationary period shall, upon receipt of medical documentation satisfactory to the Company, be granted a leave of absence for an occupational illness or disability for a period of up to two (2) years. Seniority shall continue to accrue during such leave.

6.04 The Company shall grant employees pregnancy and parental leave in accordance with the Employment Standards Act (Pregnancy and Parental Leave).

ARTICLE 7
GRIEVANCE PROCEDURE

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7.01 The Association shall establish a Grievance Committee of three (3) employees and the Company shall be kept informed of the personnel of such Committee.

7.02 (a) Any difference between the employer and the employee involving the meaning or application of the provisions of this Agreement shall constitute a grievance and may be taken up in the manner hereinafter set forth.

(b) There shall be no suspension or interruption of work on account of such grievances, and it is agreed that any employee cannot have a grievance until he has first given his supervisor the opportunity of correcting the situation about which he is dissatisfied.

(c) The settlement of grievances shall be handled in the following manner:

Step No. 1 Between the employee and his immediate supervisor within five (5) working days of the occurrence causing the grievance. The employee may be accompanied by a member of the Grievance Committee if he desires such assistance.

Step No. 2 Failing a satisfactory solution at Step No. 1, within five (5) working days, the Grievance Committee shall state the grievance in writing and deliver a copy to the appropriate Functional Manager.

Step No. 3 Failing a satisfactory solution at Step No. 2, within five (5) working days, the grievance shall be made the subject of a discussion between the Company and the Association Grievance Committee. Within five (5) working days of such a meeting the Company shall render its decision in writing to the Association.

ARTICLE 8
ARBITRATION

8.01 (a) In cases involving alleged violation or interpretation of this Agreement which have not been settled satisfactorily by means of the steps in Article 7, either party, within seven (7) working days of the issuance of the Company's decision in writing, may request the other party

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in writing that the grievance be submitted to arbitration, and at the same time nominate an arbitrator. Within seven (7) working days of receipt of such a request, the other party shall nominate an arbitrator. The two arbitrators so selected shall meet immediately after appointment and they shall appoint a third member who shall act as Chairman of the Arbitration Board.

Should the arbitrators fail to agree upon a chairman within two (2) working days, the Minister of Labour for the Province of Ontario shall be requested to appoint an impartial Chairman.

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

The Association and the Company shall each pay the expenses of its representative, and the fees and the expense of the Chairman will be paid equally by the Association and the Company.

The findings of the majority of the Board, rendered within the scope of its jurisdiction, shall be final and binding upon all parties concerned, but in no case shall the Board alter, modify, amend or supplement any part of the Agreement.

(b) At any stage of the grievance procedure, including arbitration, the conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses, and all reasonable arrangements will be made to permit the conferring parties to have access to the plant and to confer with the necessary witnesses, and to view disputed operations or conditions.

(c) The Company recognizes the right of any employee to request a hearing with any of its officers, but these officers reserve the right to refuse such a hearing if the employee has not followed the above mentioned procedure.

(d) Any complaint originating with the Company shall in the first instance be taken up by the Company with the Association Grievance Committee and in the event that settlement cannot be reached between the two parties within five (5) working days after receipt of the complaint it may be submitted to a board to be formed and to operate as provided in paragraph (a) above.

(e) The time limits set herein may be modified by the mutual agreement of the Company and the Association.

ARTICLE 9
DISCHARGE OF EMPLOYEE

9.01 When an employee, except probationary or temporary employees, has been discharged, and the employee claims that such action is unjust, the claim may be treated as a grievance if a written statement of such grievance is lodged by the Association with the Company within two **(2)** working days after the employee ceases to work for the Company. The grievance procedure commencing with Step No. 3 shall then apply.

9.02 The Company shall arrange for an official or representative of the Association to be present whenever the Company finds it necessary to discharge or suspend a regular employee. The Company shall also provide the Association with prompt written notification that it has discharged or suspended a regular employee.

ARTICLE 10
WORKING HOURS

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10.01 (a) The normal work week shall be Monday through Friday, eight **(8)** hours per day, forty **(40)** hours per week. In addition, a one-half hour unpaid meal period shall be provided each day.

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(b) When, at the discretion of the Company, an employee is scheduled to be present at work for only eight **(8)** hours instead of the eight and one-half (8.5) hours outlined in Section 10.01(a) above, such employee will receive eight **(8)** hours of straight time pay, which shall include a one-half hour paid meal period.

(c) Employees shall be given a rest period of fifteen **(15)** minutes in the first half of the shift and a five **(5)** minute rest period in the second half of the shift. When an employee is scheduled to work at least ten **(10)** hours in any one day, including overtime, such employee shall receive a fifteen (15) minute rest period in the second half of the shift instead of a five **(5)** minute rest period.

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10.02 The Company at its discretion may change the normal work week to four **(4)** consecutive days ten (10) hours per day, forty **(40)** hours per week. Employees scheduled on such a shift(s) shall be provided a one-half hour unpaid meal period each day, and shall be given a rest period of fifteen (15) minutes in both the first and second halves of their shift.

In addition, employees scheduled on a four (4) day, ten (10) hour shift shall be treated as follows for purposes of vacation time, holiday pay, bereavement leave and jury/witness duty:

(a) Vacation time – One week of vacation shall be considered four (4) work days paid at 2% of their total earnings received from the Company during the twelve months ending with and including the last pay period in the month of June of that year,

(b) Holidays – Employees shall receive eight (8) hours of holiday pay for each holiday listed in Section 12.01, provided they meet the requirements of Section 12.02. Such employees shall make up the two hours of straight time pay lost for each holiday, provided the Company schedules such additional hours during the same week in which the holiday(s) fall.

✓ (c) Bereavement – Employees shall receive 4 days off with ten (10) hours of pay instead of 5 days off when a death as defined in Section 13.01 occurs. In the event a death as defined in Section 13.02 or 13.03 occurs the employee will receive the applicable 3 or 1 day off with ten (10) hours of pay.

(d) Jury Duty/Witness Pay – Employees covered under Section 14.01 shall receive the difference between their regular rate of pay, up to ten (10) straight time hours, and the amount they received from the court.

10.03 Nothing contained anywhere in Article 10 shall be construed to be an assurance of hours of work per day, or per week. Determination of daily and weekly work schedules shall be made by the Company and such schedules may be changed by the Company in order to meet production requirements.

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10.04 While employees will not have a specific right to a particular shift, the Company will try to schedule employees within their classification on the shift they prefer to work, based on seniority. Employees may complete a shift preference form which will be reviewed by the Company prior to a permanent job being posted. Employees within the classification will be transferred to the vacancy on the shift they prefer, based on their seniority. The remaining vacancy will then be posted, and the posting will indicate the shift to which the bidder will initially be assigned.

10.05 With regard to posting for vacation shutdown work, that work required to be performed that is part of a regular classification shall be posted and the senior, qualified bidder(s) shall be awarded the work. Work required to be performed that is not part of a regular classification

will be posted and the senior, qualified bidder(s) with less than 2 weeks of vacation eligibility shall be awarded the work. If an insufficient number of such employees express an interest in the work, the senior qualified bidder(s) from among those with 2 or more weeks of vacation eligibility shall be awarded the work.

ARTICLE 11 VACATIONS WITH PAY

11.01 All new employees with less than one year service shall receive vacation with pay equal to **4%** of their total earnings received from the Company, ending with and including the last pay period of June.

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11.02 All employees who have completed twelve (12) months of employment shall receive two (2) weeks vacation with pay, equal to **4%** of their total earnings received from the Company during the twelve (12) months ending with and including the last pay period in the month of June.

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11.03 All employees who will complete or have completed five (5) years of continuous employment in a calendar year shall receive three (3) weeks vacation during such calendar year with pay equal to **6%** of their total earnings received from the Company during the twelve (12) months ending with and including the last pay period in June of that year. An employee who takes his third week of vacation and then leaves the employ of the Company for any reason, except because the employee died, prior to reaching his fifth anniversary date shall reimburse the Company all monies received for such third week of vacation.

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11.04 All employees who will complete or have completed fifteen (15) years of continuous employment in a calendar year shall receive four (4) weeks vacation during such calendar year with pay equal to **8%** of their total earnings received from the Company during the twelve (12) months ending with and including the last pay period in June of that year. An employee who takes his third week of vacation and then leaves the employ of the Company for any reason, except because the employee died, prior to reaching his fifth anniversary date shall reimburse the Company all monies received for such third

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11.05 All employees who will complete or have completed twenty-five (25) years of continuous employment in a calendar year shall receive five (5) weeks vacation during such calendar year with pay equal to **10%** of

their total earnings received from the Company during the twelve (12) months ending with and including the last pay period in June of that year. An employee who takes his third week of vacation and then leaves the employ of the Company for any reason, except because the employee died, prior to reaching his fifth anniversary date shall reimburse the Company all monies received for such third week of vacation.

11.06 By December 25 each year the Company shall determine the number of employees in each classification, on each shift, permitted to schedule their vacation during each week of the following calendar year. Such number may vary depending on the particular week and classification. Once the number of employees in each classification permitted to take their vacation in any given week is determined, employees shall schedule their vacation in order of seniority, provided the efficiency of the plant can be maintained.

Employees may change their selected vacation, provided they request the change at least two (2) weeks prior to the beginning of the newly selected vacation period, and the Company agrees to such change. Employees may change their selected vacation without such two weeks notice in cases of dire emergency, such as death, birth, or serious personal or family illness, provided the employees provide the Company with as much advance notice as is practicable under the circumstances and such time is approved by the Company.

Employees with more than two (2) weeks vacation eligibility may schedule any vacation time in excess of two (2) weeks, one day at a time, provided such time is approved by the Company in advance. Those employees that are scheduled to work shutdown may take one of those weeks one day at a time.

11.07 Employees shall, with the approval of the Company, be entitled to their vacation pay rather than taking vacation time, provided such time was previously scheduled during the months of October, November or December.

11.08 Employees will be paid their regular classification rate of pay while performing work during the vacation shutdown period.

ARTICLE 12

HOLIDAYS

12.01 The following holidays will be granted to all regular employees:

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| Christmas Day | Friday | December 25, 1998 |
| Boxing Day | Saturday | December 26, 1998 |

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| New Year's Day | Friday | January 1, 1999 |
| Good Friday | Friday | April 2, 1999 |
| Victoria Day | Monday | May 24, 1999 |
| Canada Day | Thursday | July 1, 1999 |
| Civic Holiday | Monday | August 2, 1999 |
| Labour Day | Monday | September 6, 1999 |
| Thanksgiving | Monday | October 11, 1999 |
| Christmas Day | Saturday | December 25, 1999 |
| Boxing Day | Sunday | December 26, 1999 |

2000

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| New Year's Day | Saturday | January 1, 2000 |
| Good Friday | Friday | April 21, 2000 |
| Victoria Day | Monday | May 22, 2000 |
| Canada Day | Saturday | July 1, 2000 |
| Civic Holiday | Monday | August 7, 2000 |
| Labour Day | Monday | September 4, 2000 |
| Thanksgiving | Monday | October 9, 2000 |
| Christmas Day | Monday | December 25, 2000 |
| Boxing Day | Tuesday | December 26, 2000 |

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| New Year's Day | Monday | January 1, 2001 |
| Good Friday | Friday | April 13, 2001 |
| Victoria Day | Monday | May 21, 2001 |
| Canada Day | Sunday | July 1, 2001 |
| Civic Holiday | Monday | August 6, 2001 |
| Labour Day | Monday | September 3, 2001 |
| Thanksgiving | Monday | October 8, 2001 |

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In addition, all regular employees shall be entitled to two (2) floating holidays with pay during each contract year, provided the employee notifies the Company 48 hours in advance of taking the floating holiday. Employees are not required to notify the Company 48 hours in advance of taking a floating holiday in cases of dire emergency such as deaths, births, or serious personal or family illness, provided such time is approved by the Company in advance.

The parties may mutually agree to schedule a particular holiday on either a Friday or a Monday.

12.02 All regular employees shall be paid eight (8) hours at their regular hourly rate of pay for the above holidays, provided they work their full scheduled hours on the last scheduled work day prior to the holiday and the first scheduled work day following the holiday. This provision shall not apply in the event of death in the family, if an employee leaves less than one hour earlier provided he or she first receives approval from the Company, or if the employee is less than one (1) hour late on the last scheduled work day prior to or the first scheduled work day following the holiday.

ARTICLE 13

BEREAVEMENT PAY

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13.01 In the event of death of an employee's child, step-child, mother, father, or legally married or verified common-law spouse, regular employees will be granted a leave of absence with pay for a maximum of five (5) working days, provided such days are regularly scheduled work days for the employee.

13.02 In the event of the death of an employee's grandparents, step-parents, brother, sister, step-brother, step-sister, mother-in-law, or father-in-law, son-in-law, daughter-in-law, step-grandchild, or grandchild, regular employees will be granted a leave of absence with pay for a maximum of three (3) working days, provided such days are regularly scheduled work days for the employee.

13.03 In the event of the death of an employee's aunt, uncle, brother-in-law, sister-in-law, or step-grandparents, regular employees will be granted a leave of absence with pay for a maximum of one (1) working day, provided such day is a regularly scheduled work day for the employee.

13.04 Probationary employees will be granted a leave of absence without pay for the above mentioned days.

13.05 An employee will be considered to have only one spouse at any given time. Divorce, remarriage, or establishment of a common-law relationship shall end all spousal and in-law relationships from any previous marriage or common-law relationship. The company retains the right to verify the relationship of any relative claimed to be covered under this Article.

13.06 In the event a death as defined in Sections 13.01-13.03 occurs while an employee is on scheduled vacation, the employee will be permitted to receive the applicable bereavement leave, and the balance of any scheduled vacation shall be rescheduled with the approval of the Company.

ARTICLE 14

JURY DUTY OR WITNESS

14.01 Employees required by the court to serve on jury duty, (including the jury selection process), or as a witness, shall be reimbursed on each such day the difference between their regular rate of pay, up to ten (10) straight time hours, and the amount they received from the court, provided such day was a regularly scheduled work day for the employee, and the employee was legally compelled to serve on a jury or to serve as a witness. In addition, employees shall be permitted to reschedule any vacation time that fell during their jury duty or while serving as a witness.

ARTICLE 15

ASSOCIATION DUES OR THE EQUIVALENT THEREOF

15.01 In accordance with the Labour Relations Act and in response to a written request from the Association dated October 8, 1980, the Company agrees that it will, during the term of this Agreement, deduct specified Association dues or the equivalent thereof from the wages of each employee in the bargaining unit. The Company shall remit all such sums to the Secretary-Treasurer of the Association on a monthly basis.

15.02 The Company agrees to a check-off list to accompany the deductions setting forth the names of the employees and the amount of dues or sums equivalent to dues, paid by each employee. A copy of such

list shall be remitted to the Association at the time of the remitting of deductions.

ARTICLE 16

HEALTH AND SANITATION

16.01 The Company shall make reasonable provision for the safety and health of the employees during the hours of their employment. Safety devices which, in the sole opinion of the Company, are necessary or desirable, will be supplied free and replaced free, when they are worn out or used up. Any such items which are lost or damaged shall be replaced at once at the expense of the employee. All matters dealing with the issue, handling or replacing of safety devices shall be entirely at the discretion of the Company.

16.02 The Association agrees its officers and stewards will assist the Company in the instruction and enforcement of safety rules and in seeing that employees observe reasonable rules of cleanliness, do not abuse the lunchroom, toilet, locker room and washroom facilities or in any way damage or disfigure the Company's property. Repeated violation of safety rules or horse-play on the Company premises shall be cause for dismissal. Deliberate action on the part of the employee to damage or disfigure the Company's property shall be cause for dismissal.

16.03 Regular employees required to wear safety shoes shall, upon presentation of a receipt for approved safety shoes, be reimbursed the cost of the shoes up to a maximum Company contribution of \$50 per contract year. Employees who do not seek any reimbursement for safety shoes during any contract year may bank their \$50 reimbursement to use in the next contract year. An employee may not bank more than 2 years' reimbursement amount.

16.04 The Company shall, upon presentation of a receipt for approved prescription safety glasses, reimburse regular employees the cost of such glasses, up to a maximum Company contribution of \$50 per contract year. Employees who do not seek any reimbursement for approved prescription safety glasses during any contract year may bank their \$50 reimbursement to use in the next contract year. An employee may not bank more than 2 years' reimbursement amount.

16.05 The Company shall provide each member of the maintenance department with two pairs of insulated coveralls.

ARTICLE 17

GENERAL

17.01 It is understood that the rights and privileges presently enjoyed by employees shall be continued in force so long as the said privileges are not abused.

17.02 AGE LIMITS – The minimum age of any employee will be 18 years.

The normal maximum age limit for an employee will be 65 years, and retention of the services of an employee beyond that age will be at the discretion of the Company. Frequent medical examinations by a doctor of the Company's choice may be demanded by the Company for employees in excess of 65 years of age who are retained in the service of the Company. The cost of such medical examinations will be borne by the Company. 2 (P)

17.03 The plant manager or his/her designee is authorized to deal with the Association on behalf of the Company with respect to grievances, disciplinary actions, and all matters concerning the administration of this Agreement.

17.04 All hourly employees will continue to be paid on a weekly basis for the life of this Agreement.

ARTICLE 18

WAGE RATES AND BENEFITS

18.01 (a) Effective November 2, 1998 all employees shall receive a general wage increase of twenty-five cents (**\$0.25**) per hour. Effective November 2, 1999 all employees shall receive a general wage increase of twenty-five cents (\$0.25) per hour. Effective November 2, 2000 all employees shall receive a general wage increase of twenty cents (\$0.20) per hour.

18.02 Employees scheduled to work a majority of their scheduled hours on second shift shall be paid a shift premium of thirty cents (\$0.30) per hour for all hours worked.

Employees scheduled to work a majority of their scheduled hours on third shift shall be paid a shift premium of forty cents (\$0.40) per hour for all hours worked.

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In the event the Company chooses to implement a three work-crew, two ten hour daily shift, six day work schedule, all employees who work the afternoon/evening shift shall be paid a shift premium of sixty cents (\$0.60) per hour for all hours worked.

18.03 The Company agrees to provide a training allowance of thirty (30) cents per hour to be paid to all employees, except Group Leaders, and employees of the Toolroom, and Maintenance Departments, for authorized training.

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18.04 Employees shall be paid one and one-half times their regular hourly rate for all hours worked in excess of forty (40) in any work week. There shall be no pyramiding of overtime or call-in premium pay. When the Company schedules weekend overtime, it shall notify the employee 48 hour in advance of the start of his weekend overtime shift(s), or such weekend overtime work shall be voluntary. When the Company schedules daily overtime it shall endeavor to notify employees scheduled for such overtime prior to the end of their shift on the day prior to the scheduled overtime day.

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18.05 (a) An employee called in for emergency work shall be paid a minimum of two (2) hours pay at one and one-half (1½) times his regular hourly rate, regardless whether the time worked is less than two (2) hours. Any work performed beyond two (2) hours shall be paid at straight time, subject to Section 18.04.

(b) An employee called at home during non-work hours to resolve an emergency problem over the phone shall receive a payment equal to one hour of straight time pay, provided the phone call was authorized in advance by the Company.

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(e) An employee who is scheduled and does report to work without being notified by the Company prior to the start of his shift that there will be no work, shall be permitted to work for a minimum of two (2) hours, or receive two (2) hours of straight time pay. An employee may be assigned to perform any available work and the employee's refusal to perform such work shall relieve the Company of its responsibility to pay any wages under this Section.

In addition, no employee shall receive any payment under this Section when the Company is unable to provide work because of flood, fire, snow, ice, or other Acts of God, or failure of power or other utilities, mechanical failure, or any other unforeseen occurrences beyond the Company's control.

18.06 The Company reserves the right to continue its policy of increasing rates of pay at its own discretion whenever it feels in a position to do so.

18.07 Effective November 2, 1998, the Company shall, upon presentation of a receipt for approved tools necessary in the performance of the job, reimburse Tool and Die and Maintenance employees up to a maximum Company contribution of \$300, paid anytime during the life of this Agreement.

18.08 (a) The Company agrees to continue to contribute toward the cost of a group benefit plan which includes life insurance, weekly indemnity, surgery and hospital benefits.

Effective December 1, 1998, the Company will increase its monthly contribution from sixty percent (60%) to sixty-five percent (65%) of the cost of the Company provided insurance program. This includes the supplemental medical plan, dental plan, life insurance plan, weekly indemnity plan and long term disability plan.

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(b) A dental plan shall be provided for all regular employees and their eligible dependents. The plan shall include basic preventive and restorative services, as well as Rider 1 endodontic and periodontal services. Employees shall be reimbursed 80% of the cost of covered services, based on the applicable schedule described below, after they have satisfied a \$25 per person, but not more than \$50 per family, annual deductible. The maximum reimbursement by the insurance plan shall be \$1,500 per calendar year for each covered member of the Plan. The employee shall contribute one-half the premium cost of the benefit through payroll deduction.

Effective January 1, 1999, the dental plan shall reimburse employees for covered services based on the 1998 ODA fee schedule. Effective January 1, 2000, the dental plan shall reimburse employees for covered services based on the 1999 ODA fee schedule. Effective January 1, 2001, the dental plan shall reimburse employees for covered services based on the 2000 ODA fee schedule.

(c) The weekly indemnity benefit shall provide first day coverage in the event of hospital confinement which shall include outpatient surgery. Employees shall be permitted to reschedule any vacation time that fell during any day in which they received weekly indemnity payments.

(d) Effective December 1, 1998, the supplemental medical plan shall be modified to provide a drug card with a \$6 per prescription employee co-pay.

(e) Effective November 6, 1989 the Stanley Canada Pension Plan for Hourly Employees shall be provided. Credited service will accrue from the date of acquisition of Beach Industries by Stanley Canada, Inc. or from an employee's date of hire, whichever is later. Continuous service with Beach Industries and Stanley Canada, Inc. shall apply for the purposes of plan participation and vesting requirements. Employees retiring on or after December 1, 1998, shall receive a pension benefit of \$15.00 per month per year of credited service.

(f) Effective January 1, 1999 the Stanley Canada, Inc., Group Registered Retirement Savings Plan ("RRSP") shall be available to all employees covered by this Agreement under the terms of the plan.

18.09 A Group Leader III shall be paid thirty cents (\$0.30) per hour above the top step of the highest labour grade held by any employee he is leading. A Group Leader II shall be paid seventy-five cents (\$0.75) per hour above the top step of the highest labour grade held by any employee he is leading. A Group Leader I shall be paid one dollar and seventy-five cents (\$1.75) per hour above the top step of the highest labour grade held by any employee he is leading.

18.10 (1) Employees filling a permanent job vacancy in an equal or higher labour grade shall, upon transfer to the new job, be paid their current rate or the bottom step of the rate range of the new job, whichever is higher.

(2) Employees filling a permanent job vacancy in a lower labour grade shall, upon transfer to the new job, be paid their current rate or the top step of the rate range of the new job, whichever is lower,

(3) If an employee filling a permanent job vacancy is not at the top step of the new rate range he shall progress to the top step based on his performance in the new job as outlined in Section 18.11.

(4) Employees temporarily transferred from one job to another shall, upon transfer to the temporary job, be paid their current rate or the bottom step of the rate range of the job transferred to, whichever is higher.

18.11 An employee shall progress from one step of his rate range to the next step every three (3) months until he reaches the top step of his rate

range, provided his performance is satisfactory. When an employee fails to receive an increase due to less than satisfactory performance he shall be told what areas of performance need improvement and shall be re-evaluated in another three (3) months. Evaluations and any wage adjustments shall be made by the 15th of the month following completion of the three (3) month period, and the employee shall receive a copy of the evaluation. Evaluation of an employee's performance and his wage progression shall be at the discretion of the Company.

18.12 The Company reserves the right to determine the type, number and content of all job classifications and to establish job descriptions for each. When the Company creates a new job or changes an existing job so that a revision in the job description is necessary the Company shall evaluate such new or changed job and provide the Association with a copy of the new or revised job description and evaluation when such job becomes operative. The Association shall then have five (5) working days from date of receipt of the description and evaluation to grieve only the evaluation of the job. If the Association does not grieve the evaluation within such five (5) working day period the evaluation shall be considered accepted by the Association.

ARTICLE 19

NO DISCRIMINATION

19.01 The Company and the Association shall abide by the statutes as set forth in the Ontario Human Rights Code as amended in 1981 which states: Every person has a right to equal treatment with respect to employment without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offenses, marital status, family status or handicap.

19.02 All references to employees in this Agreement designate both sexes and whenever the male gender is used it shall be construed to mean male and female employees.

*

**ARTICLE 20
TERMINATION**

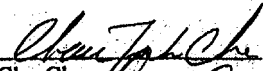
20.01 This Agreement shall be in effect until 11:59 p.m. on November 3, 2001 and shall continue from year to year after that date unless either party gives notice in writing of its intention to terminate the Agreement or to enter into negotiations for the purpose of amending the Agreement, within a period of not less than sixty (60) days and not more than ninety (90) days prior to the date of termination.

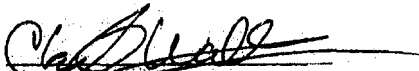
20.02 If the notice of intention to amend is given by either party in writing pursuant to the provisions of the preceding paragraph, such negotiations shall commence not later than twenty (20) days after the date of such written notice, and if such negotiations do not result in agreement prior to the date of termination of this Agreement, then this Agreement may extend by mutual agreement between negotiating parties for such further time as is necessary in order to complete negotiations.

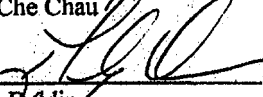
Signed this 28th day of October, 1998.

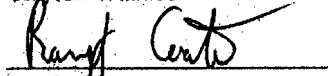
FOR THE COMPANY:

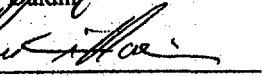
FOR THE ASSOCIATION:



Fuk-Che Chau

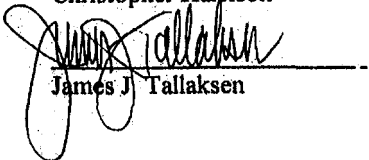

Clayton Wallace



Rudy Daldin

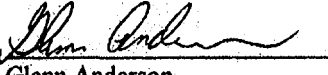

Randy Coates

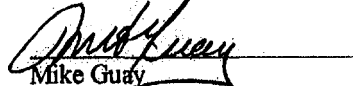

Christopher Harrison


Doris Ellis


James J. Tallaksen


Pat St. Jean


Glenn Anderson


Mike Guay

Fuk-Che Chau

Rudy Daldin

Christopher Harrison

James J. Tallaksen

Clayton Wallace

Randy Coates

Doris Ellis

Pat St. Jean

Glenn Anderson

Mike Guay

APPENDIX C
EFFECTIVE NOVEMBER 2, 1998

| Grade | Start | 3 Months | 6 Months | 9 Months |
|--------------|--------------|-----------------|-----------------|-----------------|
| TC0 | \$8.25 | \$8.25 | \$8.45 | \$8.45 |
| 11 | 10.95 | 11.45 | 11.95 | 12.15 |
| 12 | 11.45 | 11.95 | 12.15 | 12.35 |
| 13 | 11.95 | 12.15 | 12.45 | 12.55 |
| 14 | 12.15 | 12.35 | 12.55 | 12.80 |
| 15 | 12.35 | 12.55 | 12.80 | 13.10 |
| 16 | 12.55 | 12.80 | 13.10 | 13.50 |
| 17 | 13.50 | 13.90 | 14.35 | 14.90 |
| 18 | 13.90 | 14.35 | 14.90 | 15.45 |
| 19 | 14.35 | 14.90 | 15.45 | 16.00 |
| 20 | 14.90 | 15.45 | 16.00 | 16.55 |
| 21 | 15.45 | 16.00 | 16.55 | 17.10 |
| 22 | 16.00 | 16.55 | 17.10 | 17.65 |

APPENDIX C
EFFECTIVE NOVEMBER 2, 1999

| Grade | Start | 3 Months | 6 Months | 9 Months |
|--------------|--------------|-----------------|-----------------|-----------------|
| TCO | \$8.50 | \$8.50 | \$8.70 | \$8.70 |
| 11 | 11.20 | 11.70 | 12.20 | 12.40 |
| 12 | 11.70 | 12.20 | 12.40 | 12.60 |
| 13 | 12.20 | 12.40 | 12.70 | 12.80 |
| 14 | 12.40 | 12.60 | 12.80 | 13.05 |
| 15 | 12.60 | 12.80 | 13.05 | 13.35 |
| 16 | 12.80 | 13.05 | 13.35 | 13.75 |
| 17 | 13.75 | 14.15 | 14.60 | 15.15 |
| 18 | 14.15 | 14.60 | 15.15 | 15.70 |
| 19 | 14.60 | 15.15 | 15.70 | 16.25 |
| 20 | 15.15 | 15.70 | 16.25 | 16.80 |
| 21 | 15.70 | 16.25 | 16.80 | 17.35 |
| 22 | 16.25 | 16.80 | 17.35 | 17.90 |

APPENDIX C
EFFECTIVE NOVEMBER 2, 2000

| Grade | Start | 3 Months | 6 Months | 9 Months |
|--------------|--------------|-----------------|-----------------|-----------------|
| TCO | \$8.70 | \$8.70 | \$8.90 | \$8.90 |
| 11 | 11.40 | 11.90 | 12.40 | 12.60 |
| 12 | 11.90 | 12.40 | 12.60 | 12.80 |
| 13 | 12.40 | 12.60 | 12.90 | 13.00 |
| 14 | 12.60 | 12.80 | 13.00 | 13.25 |
| 15 | 12.80 | 13.00 | 13.25 | 13.55 |
| 16 | 13.00 | 13.25 | 13.55 | 13.95 |
| 17 | 13.95 | 14.35 | 14.80 | 15.35 |
| 18 | 14.35 | 14.80 | 15.35 | 15.90 |
| 19 | 14.80 | 15.35 | 15.90 | 16.45 |
| 20 | 15.35 | 15.90 | 16.45 | 17.00 |
| 21 | 15.90 | 16.45 | 17.00 | 17.55 |
| 22 | 16.45 | 17.00 | 17.55 | 18.10 |

APPENDIX D
JOB CLASSIFICATIONS AND LABOR GRADES

| | |
|-------------------------------|----------|
| Tote Cell Operator | Ungraded |
| Spot Welder B | 12 |
| Press Process Operator | 12 |
| Assembly Process Operator | 12 |
| Product Repairer | 13 |
| Shears Set-Up and Operate | 13 |
| Material Handler A | 13 |
| Rivet Set-Up and Operate | 13 |
| Line Loader/Unloader | 13 |
| Custodian | 13 |
| Spot Welder A | 14 |
| Steel Coordinator | 14 |
| Storekeeper | 14 |
| Rework Coordinator | 14 |
| Receiving/Inspection | 14 |
| Process Coordinator | 15 |
| Press Set-Up and Operate | 15 |
| Powder Painter | 15 |
| Welder-Steel | 15 |
| E-Coat Operator | 17 |
| QA Technician | 17 |
| Maintenance B | 17 |
| Process Technician | 18 |
| Powder Coat Technician | 18 |
| Tool and Die II | 19 |
| Maintenance A | 20 |
| Electro/Mechanical Technician | 20 |
| Tool and Die I | 22 |

31