

COLLECTIVE AGREEMENT

between

LENNOX INDUSTRIES (CANADA)
LIMITED

(hereinafter called “ the Company ”)

and

UNITED STEEL, PAPER AND FORESTRY,
MANUFACTURING, ENERGY, ALLIED
INDUSTRIAL
AND SERVICE WORKERS
INTERNATIONAL UNION

ON BEHALF OF LOCAL 9042-104

(hereinafter called “ the Union ”)

May 1, 2005 – April 30, 2008

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Article 1 – Recognition

1.01 - The Company recognizes the Union as the bargaining agent of all its employees in Toronto, save and except Supervisors, persons above the rank of Supervisors, office and sales staff.

The Company also recognizes the Union as the bargaining agent of its employees at the Regional Distribution Centre located at 10 Woodslea Road, Brampton, save and except Warehouse Supervisors, persons above the rank Supervisor, Parts Warehouse Customer Service Representatives, Truck Driver, Office and Sales Staff.

In the event the Company should relocate its Manufacturing Division within a 50 mile radius of the present location in Etobicoke, the bargaining unit employees would be given first opportunity of jobs available at the new facility and the Company will continue to recognize the Union at the new location.

In the event the Company should relocate its Regional Distribution Centre within a twenty-five (25) kilometer radius of the present location at 10 Woodslea Road in Brampton, the bargaining unit employees would be given first opportunity of jobs available in the new facility and the Company will continue to recognize the Union at the new location.

1.02 - Under normal circumstances no Supervisor will perform any work customarily assigned to employees in any classification in the bargaining unit, except for the purposes of instruction and training, experimentation or development of a new product or processes.

In no case shall a Supervisor displace or replace an employee, except in an emergency situation where no bargaining unit employee is available.

1.03 - It is agreed by the parties that whenever the male gender appears in this Agreement the female gender shall also apply.

Article 2 - No Discrimination

2.01 - The Company and the Union agree that there will be no workplace discrimination or harassment, of any kind, contrary to the Human Rights Code.

2.02 - Freedom From Sexual and Racial Harassment

- a) The Company shall maintain a working environment which is free from sexual and/or racial harassment.
- b) For the purposes of this Article, “ sexual harassment ” includes:
 - 1) unwanted sexual attention of a persistent or abrasive nature, made by a person who knows or ought reasonably to know that such attention is unwanted; or

- 2) implied or expressed promise of reward for complying with a sexually oriented request, or
 - 3) implied or expressed threat or reprisal, in the form either of actual reprisal or the denial of opportunity, for refusal to comply with a sexually oriented request, or
 - 4) sexually oriented remarks and/or behaviour which may reasonably be perceived to create a negative psychological and/or emotional environment for work and study.
- c) For the purposes of this clause, “ racial harassment ” means engaging in a course of comment or conduct that is known or ought reasonably to be known to be unwelcome where such comment or conduct consists of words or action by the company, supervisor, or a co-worker in the bargaining unit which disrespect or cause humiliation to a bargaining unit employee because of his or her race, colour, creed, ancestry, place of origin or ethnic origin.
 - d) Upon receipt of a confidential letter concerning either sexual or racial harassment, signed by either the Union’s Sexual Harassment Complaints Counsellor, hereinafter the “SHCC”, or the Racial Harassment Complaints Counsellor, hereinafter the “RHCC”, a person(s) designated by the Union to implement the Union’s policy against either sexual or racial harassment in the workplace, the Company shall forthwith investigate the complaint, in consultation with the appropriate Union Complaints Counsellor, and advise the local Union and the “SHCC or “RHCC” within three (3) weeks of any action taken.
 - e) The Company agrees to cooperate with the SHCC and/or the RHCC during any preliminary complaint, which may include access to the Company’s premises.
 - f) The parties agree that neither the SHCC nor the RHCC shall be a compellable witness at any arbitration and the parties agree not to seek to have them give evidence at any arbitration.

Article 3 - Management Rights

3.01 - The Union acknowledges that it is the exclusive function of the Company to:

- a) maintain order, discipline and efficiency;
- b) hire, retire, classify, direct, promote, demote, transfer, assign and reassign employees to shifts and work, discipline, suspend and discharge employees subject to the terms of this Agreement, to increase and decrease the working forces, provided that a claim by an employee that he has been discharged or otherwise disciplined without just and reasonable cause may become the subject of a grievance and be dealt with as hereinafter provided;
- c) generally manage the industrial enterprise in which the Company is engaged, at its sole and absolute discretion, and, without restricting the generality of the foregoing, to determine the products to be manufactured by employees covered by this Agreement, methods of manufacturing the products, schedules of production and work, kinds and locations of machines, tools and equipment to be used, processes of manufacturing, the engineering and designing of its products and facilities, the control of materials and parts

to be incorporated in the products produced, handled or serviced, and the extension, limitation, curtailment or cessation of operations, and all other matters concerning the operation of the Company and its business.

3.02 - The Company agrees that these rights shall not be exercised in a manner inconsistent with the terms of this agreement.

Article 4 - No Strike or Lockout

4.01 - It is agreed that there shall be no strike or lockout so long as the Collective Agreement continues to operate. The word " Strike " and the word " Lockout " shall have the meaning as set forth in the Labour Relations Act.

Article 5 – Union Membership and Checkoff

5.01 - The Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a weekly basis, from the wages of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.

5.02 - All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than fifteen (15) days following the last day of the month in which the remittance was deducted. The remittance shall be sent to International Secretary Treasurer of the United Steelworkers, AFL-CLO-CLC, P.O. Box 13083 Postal Station "A", Toronto Ontario M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.

5.03 - The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- a) A list of names of all employees from whom dues were deducted and the amount of dues deducted;
- b) A list of names of all employees from whom no deductions have been made and reasons;
- c) This information shall be sent to both Union addresses identified in Article 5.02 in such form as shall be directed by the Union to the Company.

5.04 - The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.

5.05 - The Company, when preparing T-4 slips for the employees, will enter the amount of the Union dues paid by the employee during the previous year.

Article 6 – Grievance Procedure

6.01 a) – It is the mutual desire of the parties hereto that any complaint or cause for dissatisfaction arising between an employee and the Company with respect to the application, interpretation, or alleged violation of this agreement shall be adjusted as quickly as possible.

6.01 b)- If the grievor fails to process the complaint or grievance within specified time periods, then the grievance will be considered to have been dropped.

It is agreed that arbitration costs will be split 50/50 between the Company and the Union.

6.02 It is generally understood that an employee has no complaint or grievance until he, either directly or through the Union, has first given his immediate Supervisor an opportunity to adjust the complaint or grievance.

An employee either directly or through the Union, shall bring such complaint or grievance to the attention of his immediate Supervisor within five (5) working days from the time he is aware of the incident that gave rise to such complaint or grievance.

6.03 a) If, after registering the complaint with the immediate supervisor, such complaint is not settled within three (3) regular working days, or within any longer period which may have been agreed to by the parties, then the following steps of the grievance procedure may be invoked.

Step One

The grievance shall be submitted in writing to the employee's Manager or designate, either directly or through the Union, within three (3) working days of receiving the answer to the complaint. The Manager or designate shall meet with the employee's Union Steward, the grievor and the Company Representative, as quickly as possible but in any event no later than five (5) working days in an attempt to resolve the grievance. The Manager or designate shall within a further three (3) working days answer the grievance in writing and return it to the Union.

Step Two

If the decision of the Manager or designate is not satisfactory to the employee(s) concerned and/or the Union, the grievance shall be presented to the Human Resources Manager or his/her designate by the Union within five (5) working days following the decision of the Manager at Step One.

The grievance shall be fully discussed at a meeting to be held with the grievor within five, (5) working days after receipt of the grievance.

The Step Two grievance meeting will be held with Representatives of Management, the Union's Plant Chair, the grievor, and the U.S.W.A. Staff Representative, if requested, at the time the grievance is referred to Second Step.

If the grievance cannot be resolved in discussion, the Company will provide the Union with its written decision within five (5) working days of the Step Two meeting.

Group Grievance

A “Group Grievance” which is one concerning more than one, (1) employee having the same complaint may be submitted at Step One of the grievance procedure. Only one grievance may be submitted with the names of all grievors. One representative grievor will attend the meetings.

Policy Grievance.

Either party may file a “Policy Grievance” at the Step Two stage of the grievance procedure. A “Policy Grievance” is defined as one which alleges a misinterpretation or violation of a provision of this Agreement.

6.03 b) If, after Step Two, either party requests that a grievance be referred to arbitration, it will notify the other party in writing of its desire within twenty-five (25) working days of the completion of Step Two.

6.04 The arbitration procedure shall be based on the use of a single arbitrator, selected on a rotating basis from the following panel:

Mr. Lorne Slotnik

Mr. Kenneth Petrychen

Ms. Paula Knopf

Ms. Randi Abramsky

Should any of the arbitrators constituting the above mentioned panel of arbitrators withdraw or resign from the panel, then the party who nominated the arbitrator who has withdrawn or resigned, shall forthwith submit to the other party to this agreement, a list of four (4) nominees from which shall be selected one (1) nominee to replace the arbitrator who has withdrawn or resigned.

The arbitrators shall act singly, and in rotation, with respect to each successive grievance that is referred to arbitration. Should any arbitrator be unable to hear a grievance within thirty (30) calendar days after the grievance has been referred to him, then he shall be passed over to the next in line. The arbitrator shall hear and determine the difference or allegation and shall issue a decision, and the decision shall be final and binding upon the parties and upon any employee affected by it.

6.05 – The arbitrators shall not have jurisdiction or authority to alter or modify or amend any of the provisions of this agreement, or to add any new position in lieu thereof, or to give any decision inconsistent with the terms and provisions of this agreement.

6.06 – The parties will equally share the fee and expenses of the arbitrator.

6.07 – Any and all time limits fixed by this article may at any time be extended by written agreement between the Company and the Union. A request for an extension of time will not be unreasonably refused.

6.08 – Any members of the grievance committee required to meet with Management for the purposes of resolving grievances shall be paid at their regular rate.

6.09 - It is agreed days referred to in Article 6 are working days.

Article 7 – Discharge and Disciplinary Procedure

7.01 - Any discipline and/or discharge actions will continue to be handled in a progressive, fair and just manner.

7.02 - Disciplinary warnings shall be given in writing, and in the presence of a shop steward or Union Representative.

7.03 - Any employee(s) who has completed the probationary period and who is discharged or suspended shall be permitted to consult with a steward, subject to availability, before leaving the premises of the Company. If the employee disputes the discharge or suspension and wishes the Company to consider the dispute, they must present a written grievance to the Director, Human Resources or his/her designate, within five (5) working days from the date of the discharge or suspension and the grievance shall be handled as other grievances commencing at Step Two of the grievance procedure.

7.04 - The Arbitrator shall be authorized to maintain the discharge or suspension, make the grievor whole, or make any modification as to compensation which is just and equitable in the opinion of the Arbitrator.

7.05 - All notations for discipline and discharge shall be removed from an employee's file after twelve (12) months. In the event that an employee is off work during the twelve (12) months for weekly indemnity, WSIB, leave of absence, or lay-off, the twelve (12) months will be extended accordingly.

Article 8 – Seniority

8.01 - a) Seniority shall mean length of continuous service within the bargaining unit.

8.01 - b) The parties agree that job opportunities and security shall increase with the employees' length of service. It is agreed that in filling posted job vacancies, and in the case of lay-off, or recall from layoff, preference will be given to the employee with the greatest seniority provided he has the qualifications, ability and willingness to perform the work required.

In the case of a layoff, probationary employees shall be laid off first. In the case of a layoff, preference will be given to the employee with the greatest seniority if he has the qualifications, ability and is willing to perform the work required, and provided he can prove the same to the Company within a maximum trial period of five (5) working days. Employees will be given a minimum three hour familiarization period before they are removed from the position.

It is agreed, however, that the Company shall have the right to pass over any employee if it is reasonable for the Company to assume that the employee does not possess the ability to perform the available work within the above mentioned trial period.

8.01 c) Seniority lists showing seniority dates of all employees shall be posted on the bulletin board two (2) times per year, which includes International Union's request, in Norris Glen and Brampton. A copy shall be provided to the union showing employees' classification, rate of pay and addresses currently on file.

8.02 – A new employee shall serve a probationary period of ninety (90) days worked, after which he/she shall be granted seniority status with seniority dating back to the date of his/her original hiring date.

Notwithstanding any other provision of this Agreement, the Company shall have the exclusive and the unlimited right to terminate the employment of a probationary employee during his probationary period.

8.03 - For employees hired on the same date, any dispute will be resolved by using the last three digits of the employee's Social Insurance Number. The employee having the higher number will be deemed to be the senior.

8.04 – An employee shall lose his seniority and his employment shall be terminated for any of the following reasons:

- a) If an employee quits:
- b) If an employee is discharged and such discharge is not reversed through the grievance or arbitration procedure;
- c) If an employee is absent from work for three (3) consecutive working days and does not provide satisfactory reason for such absence;
- d) If an employee overstays a granted leave of absence without providing a Doctor's certificate of illness or other satisfactory reason;
- e) If an employee has been continuously laid-off for a period in excess of his/her seniority, up to a maximum of two (2) years, except those employees with five (5) or more years continuous service with the Company shall be entitled to indefinite recall;
- f) If a laid-off employee fails to report within seven (7) working days after being notified by Registered Mail, directed to the laid-off employee's last address, unless the laid-off employee provides a satisfactory reason for his/her failure to report;
- g) If an employee retires or is retired within the term of the Pension Plan.

Layoff

8.05 - a) The parties agree that for the purpose of layoff, the following shall apply: Affected employees will be given the opportunity to displace into any available position that they can perform based on the requirement in Article 8.01 b).

- b) As far as is reasonably practicable, five (5) working days notice, or pay in lieu of notice, of layoff shall be given to the employee and Union.

Recall

8.06 Recall will be in inverse order of layoff, provided the employees to be recalled are qualified and have the ability to perform the work available.

Job Posting

8.07 - All permanent vacancies and newly created jobs shall be posted for two consecutive working days. Employees may apply for such vacancies by written application within the said two (2) days. Applicants will be considered on the basis of Article 8.01 b).

8.08 - The Company will post the vacancy, if any, caused by placing a successful applicant, upon successful completion of the trial period. This completes the cycle of transfers under the posting procedures required by this Article and the Company may take such steps as it considers necessary to fill the remaining vacancy, if any, either from within or outside the bargaining unit.

8.09 - In the event an employee who was selected for a posted vacancy is unable to perform the new duties to the reasonable satisfaction of the Company during the trial period, they will be returned to their former job. The Company will then consider other employees, if any, who bid for the vacancy, and they shall also be considered.

8.10 - If there is no applicant for a posted vacancy, the Company may fill the vacancy from within or outside the bargaining unit.

Article 9 – Temporary Transfer

9.01 - A temporary transfer is a transfer not to exceed twenty (20) working days.

9.02 - The promotion or transfer of employees to or from positions outside the bargaining unit is not subject to this Collective Agreement except that such employees will be entitled to seniority credit equal to their bargaining unit service credit with the Company on return to a position which is subject to this Collective Agreement, provided that such return is within a six (6) month period from the time such employees leave the bargaining unit.

9.03 - If the Company decides to discontinue a department, or any portion of a department, as a result of major innovative change in equipment, process or technology, it will notify the local Union. The Company shall make every effort to find such other suitable employment as is available, but in no case shall an employee with seniority, affected by such major change, be without a job so long as there is a job presently being performed by a probationary employee, or an employee with less seniority.

9.04 - a) A temporary vacancy (of up to fifteen (15) working days) will be filled without regard to seniority. If more than one employee is to be moved, the most senior of the employees being moved will have first choice of the openings available, if he is capable of doing the job, then the next senior employee, and so on.

9.05 - A vacancy occurring for a defined period of time (due to medical reasons, accident or illness, vacation, union business or due to an authorized leave of absence) shall be filled through recalling an employee to the department if there is an employee who was previously displaced.

If there are no employees with recall rights, the position shall be filled by posting the position as a term position until such time as the absent employee returns to his regular work. The postings will be considered on the basis of the principles in Article 8.01 b). All posted term vacancies connected to this article will be returned to their former position and rate of pay.

If no employees post for the position, the Company may assign the work to the most junior employee in a production group with the qualifications and ability to do the work until such time as he is needed by his production group or the absent employee returns. If the employee is needed in his production group, a junior employee from another production group with the qualifications and ability to do the work can be assigned to the vacant position or the company can use article 8.10.

9.06 - When production requirements dictate a shift in manpower from one group to another, the junior employees can be transferred within their respective job classes, on a temporary basis for up to twenty-five (25) working days without the need for posting.

If one or more employees are required to come out of a group, the most senior of the employees being moved will have the first choice of doing the job, then the next senior employee, and so on.

Article 10 – Bereavement Pay

10.01 - In the event of the death of an employee's father, father-in-law, mother, mother-in-law, spouse, child, brother, brother-in-law, sister, sister-in-law, grandfather, grandmother or grandchild, the Company will grant up to three (3) consecutive working days leave of absence immediately following the death with pay, at the employee's Base Hourly Rate for compassionate leave. Statutory holidays, vacation days and weekends will not be incorporated in the bereavement pay or time off.

An employee who wishes to extend his bereavement may request an additional twelve (12) days unpaid leave of absence. This leave will be taken as an extension of the three (3) days paid leave, immediately following the bereavement paid leave.

Article 11 – Jury Service

11.01 - The Company shall pay an employee who is required for jury service, or as a Crown Witness, or is subpoenaed as a witness in a court action, for each day of such service, the difference between his Base Hourly Rate for a normal eight-hour shift and the payment he receives for such service, provided the employee presents proof of such service and the amount of pay received.

Article 12 – Leave of Absence

12.01 - The Company may grant leave of absence to employees, without pay but without loss of seniority, for legitimate personal reasons. An employee requesting a leave of absence shall make the request in writing to their respective Manager or designate or Human Resources Manager at least two (2) weeks prior to the desired commencement of such leave. The Company will answer the request in writing within one (1) week from the date of receiving the request.

Emergency requests for leave of absence will be handled on a day-to-day basis.

12.02 - When requested in writing to do so, by the International Office of the Union, the Company will grant a leave of absence to one Union member, for specified periods up to a

maximum of one (1) year. The Company will be reimbursed in full for the cost of all benefits, including pension, provided for by this agreement, where such benefits continue to be in effect during the period of leave. An employee returning from such leave of absence would be returned to his former job if open, or to another job which is available at that time. Such leave may be extended for up to an additional year if requested by the Union, in advance.

12.03 - The Company agrees to pay for eight (8) hours per day up to ten (10) days maximum per year at the employee's Base Hourly Rate for the purpose of paid Educational leave.

The Union will select the employee(s) to use the ten (10) day entitlement and will notify the Company two (2) weeks in advance of the use of the leave.

Article 13 – Health and Safety

13.01 - The Company agrees to continue to make every reasonable effort to provide safe and healthful conditions of work for its employees.

13.02 – The Company and the Union agree to observe the provisions of the Occupational Health and Safety Act. The Union undertakes to individually and collectively assist Management in maintaining safe work conditions and in promoting cleanliness throughout the plant.

13.03 –The Company and the Union shall maintain a Joint Health and Safety Committee (JHSC), in accordance with the Occupational Health and Safety Act, consisting of a minimum of one (1) member from the Union with equal representation from the Company in Norris Glen and Brampton. The Joint Health and Safety Committee will consist of a minimum of two (2) certified members, one (1) from the Union and one (1) from the Company.

The primary purpose of the Joint Committee shall be the prevention of accidents. In the case of accidents that result in lost time from work the accident will be investigated jointly by the Certified Members of the Joint Committee, one (1) from Management and one (1) from the Union, and to make recommendations to the Management of the Company for the elimination of unsafe practices and unsafe working conditions. Minutes of all meetings shall be kept, and copies posted on the bulletin boards.

Once a month the Committee(s) shall meet. Prior to the regular monthly meeting the Committee(s) shall inspect the workplace. The inspection shall be by two (2) committee members, one (1) from the Union and one (1) from the Company. The purpose of this inspection will be to i) identify hazardous conditions or unsafe practices, ii) to prevent and eliminate these unsafe practices and unsafe working conditions. At the conclusion of the inspection a written report will be prepared. Management will respond to the Committee's recommendations within fourteen (14) working days of receiving report.

The recommendations and suggestions in this report, as well as the actions to be taken to correct the unsafe conditions or practices will be discussed at the monthly meetings of the Joint Committee and will be presented to Management of the Company.

Reports of all inspections performed under Article 13 as well as all records of accidents and occupational illness shall be made available to the Joint Health and Safety Committee and the Unit Chair Person.

To ensure the sharing of important health & safety information to all employees, all minutes and recorded safety incidences will be exchanged by each Joint Health & Safety Committee at

meetings to be held twice annually and chaired by the CO-Chairpersons of the Joint Health and Safety Committees on a rotating basis.

13.04 - As a condition of employment, all employees are required to wear approved toe protection, either safety shoes obtained at the employee's expense less an allowance paid by the Company of one hundred and twenty dollars (\$120.00) for the first year, one hundred and twenty five dollars (\$125.00) for the second year, one hundred and thirty five dollars (\$135.00) the third year, toward the first pair of such shoes that the employee purchases for each year of the agreement.

As a further condition of employment, all employees are required to wear approved eye protection when required to perform specific tasks directed by their Supervisor, consisting of 100% Industrial Safety glasses with either (a) regular, or (b) prescription safety lenses.

- a) Regular Industrial Safety glasses shall be supplied by the Company to all employees not requiring prescription lenses. In the event these glasses are damaged through no fault of the employee during the course of employment, they will be repaired or replaced by the Company. In the event the glasses are lost, or damaged through misuse or improper care, the employee will be required to pay for their repair or replacement.
- b) Prescription Industrial Safety glasses shall be provided, as detailed below, through a supplier specified by the Company. The Company shall pay the full cost of Prescription Safety glasses in the case of:
 - (1) an employee, who has completed his probationary period, requiring prescription glasses.
 - (2) a bona fide prescription change for an employee already wearing approved prescription industrial safety glasses.
 - (3) damage, without fault of the employee, during the course of employment.

13.05 - The Company and Union agree to cooperate in encouraging employees with alcohol, drug or personal problems to avail themselves of the assistance of "Lifeline", and further the Company agrees to such membership in the Lifeline Foundation and to contribute financial support of the following basis:

The Company agrees to match the contribution of the Union Local toward Lifeline, up to a maximum amount of five dollars (\$5.00) per year, per employee.

13.06 – Refusal of Unsafe Work

Notwithstanding the provisions of the Act, an employee may refuse to work or do particular work where the employee has reason to believe that:

1. Any equipment, machine device or thing the employee is to use or operate is likely to endanger themselves or another employee; or
2. The physical condition of the workplace or the part thereof in which the employee works or is to work is likely to endanger them self or another employee.

An employee who refuses to work or do particular work shall promptly report the circumstances of their refusal to their Supervisor, who shall forthwith investigate the report with the employee, and a unionized certified member of the Joint Health and Safety Committee.

Where, following the investigation or any steps taken to deal with the circumstances that caused the employee to refuse to work or do particular work continues to have reasonable grounds to believe that carrying out the work would endanger themselves or another employee, the Ministry of Labour will be contacted.

13.07 – No Reprisal

The Company shall not dismiss or threaten to dismiss, discipline or suspend or threaten to discipline or suspend any employee pursuant to this Article.

13.08 – Hazardous Substance (WHMIS)

The parties acknowledge that current employees will be trained, and new hires will be trained as soon as practicable on health & safety matters relating to the job and the responsibilities of the employees and fellow employees. Such training and instruction shall include Workplace Hazardous Materials Information System (WHMIS) training. An employee representative from the Joint Health and Safety Committee may on request observe the safety training of newly hired employees.

Article 14 – Pay on Day of Injury

14.01 - An employee hurt in an industrial accident while at work for the Company shall be paid for the balance of the shift during which he was hurt at his base hourly rate if the employee is sent home by a doctor or the Company.

Article 15 – Bulletin Boards

15.01 - The Company shall provide one (1) bulletin board at each distribution centre for the use of the Union for the purposes of posting notices. All such notices to be posted must be signed by the Plant Chair and copies of such notices save, and except, notices of monthly Union meetings, must be submitted to the Manager or designate for approval before being posted.

15.02 – A phone and desk will be made available on an as needed basis at the Brampton facility.

Article 16 – Labour Management Committee

16.01 - There shall be a Labour Management Committee composed of four (4) members; two (2) of whom shall be from the Union and two (2) from Management. The Committee shall meet upon the request of either party, but in no case shall a meeting be held more than once in every two (2) month period.

Article 17 – Union Representation

17.01 - The Union may appoint and the Company shall recognize one (1) Union Steward per shift for the purpose of investigating and presenting grievances.

A steward will not absent himself from his regular duties without first obtaining permission from his immediate Supervisor. In the event of a meeting is called by Management, the Company will notify the proper immediate Supervisor or designate. Time spent by a Union steward in the plant or warehouse absent from his regular duties while investigating a grievance will be paid for by the Company at the employee's base hourly rate.

17.02 - In the event of a lay-off of employees, the Plant Chair will be retained at work in the bargaining unit provided they are qualified to perform the work available.

17.03 - The Union will provide to Management or designated representative with a list of stewards and the employees receiving preferential treatment as provided by Section 16.02 above. The list provided by the Union will be kept up to date.

17.04 Following the election in May 2006, the Company agrees to place the duly elected Unit Chair on day shift.

Article 18 – Employee Disability

18.01 - In the event it has been determined that an employee is temporarily or permanently unable to perform his regular work due to age, disease or injury, the Company and Union will meet to discuss a plan of accommodation (i.e. reclassification to available work for which the employee is qualified and physically able to perform). In making any accommodation it is understood that the seniority provisions of the Collective Agreement may be disregarded except that such incapacitated employee shall not be assigned to take over a job occupied at the time by another employee.

Article 19 – Hours of Work and Overtime

19.01 - It is mutually understood that this article is only intended to describe generally the normal work day and work week and the basis for calculating overtime, and is in no way to be construed as a guarantee of any number of hours per day or days per week.

19.02 - a) The normal work week shall consist of five (5) eight (8) hour shifts. For normal two (2) shift or three (3) shift operation the normal working hours shall be:

First Shift -	7:00 a.m. to 3:30 p.m.
Second Shift -	3:30 p.m. to 12:00 midnight
Third Shift -	10:30 p.m. to 7:00 a.m.

In the event that the Company schedules three (3) consecutive shifts whereby employees who are scheduled on succeeding shifts do not overlap, then the Company will provide a paid twenty (20) minute lunch period. Under this arrangement the hours of work of these shifts will be as follows:

First Shift -	7:00 a.m. to 3:00 p.m.
Second Shift -	3:00 p.m. to 11:00 p.m.
Third Shift -	11:00 p.m. to 7:00 a.m.

As far as is reasonably practicable two (2) working days notice of shift change will be given to employees.

The Company may alter the starting and quitting times as outlined in Article 19.02 b) by up to one-half (½) hour upon one (1) weeks notice. In the event there are no volunteers, the junior employee shall be mandated.

A shift change will only occur once every two (2) weeks.

19.02 – b) At the Regional Distribution Centre the Company may establish additional shifts to meet the business requirements as follows:

First Shift	-7:00 a.m. to 3:30 p.m.
Second Shift	-9:30 a.m. to 6:00 p.m.
Third Shift	-1:30 p.m. to 10:00 p.m.

19.03 - A premium of sixty cents (\$0.60) per hour, will be paid for hours worked by employees assigned to the Second Shift.

A premium of seventy cents (\$0.70) will be paid for hours worked by employees assigned to the Third Shift.

19.04 - A fifteen (15) minute rest period will be provided during the first half of the shift worked and a ten (10) minute rest period during the second half of the shift.

19.05 - An employee who is required by the Company to work in excess of eight (8) hours in any one day shall be paid at the rate of time-and-one-half his Base Hourly Rate for the excess hours so worked.

When the overtime in any one regular working day is to exceed one-and-one-half hours, a ten (10) minute rest period will be allowed no later than forty-five (45) minutes at the end of eight (8) hours of work.

19.06 - a) The rate of time and one half the employee's Base Hourly Rate shall be paid for hours worked on a Saturday save and except:

1. Where such work is performed as part of a Friday shift.

19.06 - b) The rate of double times the employee's Base Hourly Rate shall be paid for hours worked on Sunday save and except:

1. Where such work is performed as part of a Saturday shift at time and one half, or Monday shift at straight time.

19.07 - a) An employee who is required to work on any holiday as designated by this agreement shall receive holiday pay and, in addition, shall be paid at the rate of double time his Base Hourly Rate for the holiday worked.

19.07 - b) Any floater days scheduled that conflict with the regular hours of operation of Brampton / Toronto will not be considered Holidays and employees will be required to work. Alternative days will be selected by the employee and the employee will notify the Company five (5) working days in advance. If more than two (2) employees request the same time for floaters, the employees with the most seniority will be granted leave and the other employee(s) will be required to select an alternate date.

19.07 -c) The Company and the Union can mutually agree to change the date of a designated holiday. The employee will receive their regular rate for working on that agreed upon day.

19.08 - In the event of lack of work, an employee who reports for work, unless previously notified not to report, shall receive at least four (4) hours pay at his Base Hourly Rate, whether he works those hours or not. This provision shall not apply where the lack of work is due to power failure, fire, flood or circumstances beyond the reasonable control of the Company.

19.09 - An employee who has already left the premises of the Company after completion of his regular shift and who is recalled for emergency work will be paid his Base Hourly Rate plus any applicable overtime or shift premium for all hours actually worked, but not less than four (4) hours at his Base Hourly Rate.

19.10 - In the case of overtime scheduled to be worked during the regular work week, should such overtime have to be cancelled with less than four (4) hours notice, the Company agrees to pay the employee(s) so involved an amount equal to the hours that were scheduled, at the rate of time and one-half, providing there is consensus of all groups involved to work the necessary hours.

19.11 - In the case of overtime scheduled to be worked on Saturday or Sunday, employees shall not work less than four (4) hours. This does not limit the employee from working more than four (4) hours if requested to work by the Company.

If an employee is unable to commit to work in excess of four (4) hours, the overtime may be offered and assigned to all available qualified employees that normally perform the work, in inverse order of seniority.

19.12 - An employee required to work overtime two (2) hours or more shall be paid (\$8.00) supper money if he is not notified at least one (1) day in advance. Supper money will be paid on the same day or by the end of the next scheduled shift.

19.13 - a) The Company and the Union agree that the Company will first assign overtime work on a voluntary basis. Overtime is assigned by seniority, by department and job class.

19.13 -b) If the Company is unable to secure the required volunteers to perform the overtime work from amongst the qualified employees, employees will be required to perform the overtime in rotation starting with the most junior qualified employees; the objective being to spread the mandatory overtime among the qualified employees.

19.13 - c) If an employee is currently servicing a customer at the end of his scheduled shift he will complete that service. This employee will be entitled to overtime for that period in excess of eight hours for the time spent with the customer.

19.14 - Employees shall notify the Company prior to the start of their scheduled shift, if they will be unable to report to work for that shift.

An employee having to leave work for personal reasons will not absent himself from his regular duties without first obtaining permission of his Supervisor or Manager or designate.

19.15 - The Company agrees to rebalance shift assignments in accordance with employees' seniority upon ratification of the collection agreement and thereafter upon occurrence of a triggering event, defined for the purpose of this agreement as a complete discontinuance of operations at Norris Glen or in the UVAR classification.

Article 20 – Vacation

20.01 - An employee who, on June 30th of any year has had the length of continuous service specified in the table below, shall be entitled to paid time off as shown in the table for that year. Gross earnings shall mean all earnings received by the employee, from the Company, which are taxable under the Federal Income Tax Act except for Weekly Indemnity and/or Workers Compensation earnings and/or discretionary cash bonuses and/or termination/severance pay.

Employees will receive their vacation pay when vacation time is taken. The amount of pay will be based on the employee's gross earnings over the preceding twelve (12) months.

A vacation year is the twelve (12) month period ending June 30th of each year. Paid vacation time may be taken before June 30th. However, should an employee take paid vacation and then leave the employ of Lennox prior to June 30th, the value of vacation taken but not fully earned will be recovered by Lennox in the final pay.

Length of Service	Vacation Pay	TimeOff
3 month but less than 1 year	4.0 %	2 weeks
1 year but less than 5 years	4.0 %	2 weeks
5 years but less than 10 years	6.0 %	3 weeks
10 years but less than 20 years	8.0 %	4 weeks
20 years and over	10.0 %	5 weeks

20.02 - Vacations are not accumulative from year to year. Any holiday that occurs on a regular work day during the vacation period will be considered a paid holiday and will be paid over and above the vacation pay.

Article 21 – Holidays

21.01 - The holidays as designated in Subsection 20.02 below, falling on a scheduled work day will be paid as days worked at eight (8) hours each at the employee's Base Hourly Rate for each employee who qualifies. When any one of the designated holidays falls on a Saturday or Sunday for which the preceding Friday or the following Monday is generally observed as the holiday, pay will be granted for hours not worked on such Friday or Monday only.

21.02 - The holidays which will be recognized are as follows:

New Year's Day	Thanksgiving Day
Good Friday	The day before Christmas Day
Victoria Day	Christmas Day
Civic Holiday	Boxing Day
Labour Day	Plus: Three additional days (dates to be determined)

21.03 - a) To qualify for holiday pay an employee must work each of the scheduled work days prior to and following the holiday. However, lateness of up to two (2) hours on either of the

qualifying days shall not preclude the payment of holiday pay. Payment for the holiday will not be made if the employee is on leave of absence or on lay-off.

21.03 - b) Should an employee be absent due to illness on either the day before or after a statutory holiday, medical evidence confirming the illness will not be necessary to receive pay for the statutory holiday, if there are no written warnings of attendance concerns currently on the employee's file.

21.04 - Probationary employees will be eligible for holiday pay in accordance with 20.03a and 20.03b.

Article 22 – Group Leaders

22.01 - A Group Leader is an hourly rated employee who devotes part of his time to leading the work of a group of employees. In the event the Company wishes to fill a Group Leader vacancy, the job will be posted and the selection will be in accordance with Section 8.07, however, the removal of a Group Leader shall remain within the discretion of the Company, providing that the removal will be for just cause, and the Local Union Executive shall be notified, and discussion will take place as soon as possible, if necessary. Requirements for a Group Leader position include leadership qualities and the ability to communicate properly, as well as thorough knowledge of the jobs within the group.

22.02 - The Group Leader shall receive a job rate equal to the maximum job rate of any classification within his group and a flat rate premium in addition to such job rate of \$1.75 per hour, The Group Leader premium shall be included in the calculation of overtime premium for overtime hours worked.

22.03 - In the event there is a reduction in the number of employees in a group, the Group Leader shall be the last employee to be displaced from such group. In the case of a lay-off, a Group Leader shall revert to his real seniority, provided an employee with more seniority has the qualifications and ability to replace the Group Leader.

22.04 - At any time when overtime is required, the overtime will be in accordance with Article 19.

Article 23 – Group Insurance and Pension Plans

23.01 - The Group Insurance Plan consists of Life, Accidental Death and Dismemberment, Extended Health, Prescription Reimbursement, Supplemental Hospital, Major Medical and Vision care benefits, as outlined in the booklet.

The Group Life Insurance and Accidental Death and Dismemberment (A.D.&D.) coverage is \$32,000 each. Optional A.D.&D coverage is available. There is no limit on Major Medical expense except for an out of Canada maximum of \$1,000,000.

The Company will pay the present combined costs of the Employer Health Tax and Lennox Group Insurance Plans as defined above. Should the aforementioned costs increase, this increase will be paid by the Company and should they decrease this amount will be retained by the Company.

23.02 - a) The Lennox Industries (Canada) Ltd., Hourly Rated Employees' Pension Plan as amended and outlined in the booklet is a non-contributory plan, the cost being borne entirely by the Company. However, there is provision in the Plan for an employee to make voluntary contributions to supplement the pension benefits provided under the Basic Plan.

The Plan has been revised to provide, in the first year of the agreement a benefit of \$37.00 per month for each year of service and effective May 1st, 2006, a benefit of \$37.50 per month for each year of service, effective May 1st, 2007, a benefit of \$38.00 per month for each year of service.

23.02 - b) The Pension Plan number C6400 was changed to 0314765 to have our Pension Commission registration number in Ontario match Revenue Canada's registration number.

23.03 - For employees actively at work, the Company will arrange for and pay the premium cost of a basic Dental plan with the following provisions:

\$25.00 deductible per person per year

\$50.00 deductible per family per year

Amendments to the current plan include the addition of Orthodontic Services commencing May 1st, 2004, as well as revised reimbursement provisions, based on the Ontario Dental Association Suggested Fee Guide for General Practitioners as follows: One year lag from current year to the final year of this agreement, (i.e. in year 2002 the 2001 Fee Guide will be used), as outlined in the booklet.

23.04 - The Company will provide Weekly Indemnity (Short Term Disability) coverage. For the first (1st) illness/absence, in any calendar year, coverage begins on the second consecutive working day of the absence. For subsequent illness/absences, in any calendar year, coverage will begin on the fourth (4th) consecutive working day of absence. Weekly Indemnity provides for up to a maximum of six (6) consecutive calendar months, at the rate of sixty-seven percent (67%) of the employee's (gross) regular base rate, or a minimum of ninety-three (\$93.00) per working day of absence, as outlined in the booklet. Emergency absences requiring hospitalization do not require a waiting period. Required statutory deductions will be taken at the source.

Article 24 – Wages

24.01 - Attached hereto and forming part of this agreement are Schedules "A" and "B" comprising the wage schedules and job classifications respectively.

24.01 - a) Effective May 1st, 2005, the job rates and individual Base Hourly Rates of all labour classifications shall be as shown in Schedule "A".

24.02 - The starting rate for a new employee shall be three (3) dollars per hour less than the job rate for the classification. It is agreed and understood that any break in service of more than ten (10) working days during the probationary period shall have the effect of eliminating accrued service. At the end of the probationary period, as outlined in Section 8.02, the employee shall, if retained by the Company, receive the job rate as outlined in Schedule A.

In the event that an employee is temporarily transferred to another job or to another department at the request of the Company, he shall receive the higher of his own rate or the job rate for said job. Except that if the employee is not yet up to his own job rate at the time of transfer to a higher paid job, he shall be paid the higher job rate less whatever amount he presently is below his own job rate.

In the event that an employee already at the job rate for his job is transferred to another job at his own request or through the job posting procedure he shall receive the rate for the job if he is successful in the transfer.

24.03 - Any employee who fails to meet the group average for a period of two (2) weeks will be given five (5) working days to bring his work up to group average. If, after the five (5) day period, he still fails to meet group average, he will be subject to transfer.

Article 25 – Severance Pay

25.01 - The Company agrees to pay severance in accordance with the provisions of the Employment Standards Act during the first, second and third year of this agreement. In all other aspects, the terms of the Employment Standards Act will apply.

Article 26 – Humanity Fund

26.01 - The Company agrees to deduct on a weekly basis the amount of (\$0.01) per hour from the wages of all employees in the bargaining unit for all hours worked and, prior to the 15th day of the month following, to pay the amount so deducted to the “Humanity Fund” and forward such payment to United Steelworkers of America National Office, 234 Eglinton Avenue East, Toronto, Ontario M4P 1K7, and to advise in writing both the Humanity Fund at the aforementioned address and the local Union that such payment has been made, the amount of such payment and the names of all employees in the bargaining unit on whose behalf such payment has been made.

26.02 - It is understood and agreed that participation by any employee in the bargaining unit in the program of deductions set forth above may be discontinued after the receipt by the Company and the local Union of that employee’s written statement of his/her desire to discontinue such deductions from his/her pay which may be received during the four weeks following ratification of this agreement or at any time thereafter.

26.03 - The Company agrees to record the total amount of the Humanity Fund contributions of each employee on their annual T4 slip.

Article 27 - It is understood and agreed that the Letters of Agreement (Understanding) attached hereto in Appendix A are part of this Collective Agreement.

Article 27 – Term of Agreement

27.01 - This Agreement shall become effective as of May 1, 2005 and shall continue in effect until April 30, 2008, and thereafter, from year to year for additional periods of one (1) year, unless and until either party, not less than sixty (60) days or not more than ninety (90) days prior to the expiration of any such year, shall notify the other of its desire to amend or terminate the Agreement. Negotiations with respect to such proposed amendments or new Contract shall commence immediately.

IN WITNESS WHEREOF, the parties have executed this Contract on this ____ day of ____ 2006.

For the Union Local 9042-104

Sean Logan_____

John Hynes_____

Nick Montesano_____

For the Company

Dennis Good_____

Tony Zammit_____

SCHEDULE "A"

Effective July 23, 2005

Signing bonus \$600.00

Effective September 1st, 2005

Lump sum \$600.00

Effective January 1st, 2006

Lump sum \$500.00

Effective May 1st, 2006

Lump sum \$500.00

Effective January 1st, 2007

Lump sum \$600.00

Effective May 1st, 2007

Lump sum \$600.00

Labour Group

Base Hourly Rate

A

\$19.06

B

\$17.60

WAGE PROGRESSION

Labour Groups

(New Hire)

A

B

Hire Rate

16.06

14.60

After 9 Weeks Day

17.06

15.60

After 12 Months

18.06

16.60

After 24 Months

19.06

17.60

SCHEDULE "B"

JOB TITLE

LABOUR GROUP & JOB TITLE

A

Unit Converter

B

Forklift Operator (certified)

July 12th, 1996

Letter of Understanding

As part of the settlement of the recent renewal of our Collective agreement, the parties agreed that Item 8 from the Sep 95 Letter of Understanding regarding the RDC would continue as stated:

“At the Regional Distribution Centre, whenever necessary to satisfy customer requirements, the Company may assign non-bargaining unit employees to perform any required duties, including duties normally performed by members of the bargaining unit.

October 18th, 1999

Letter of Understanding

While recognizing the importance of the Group Leaders in supporting fellow workers and facilitating the work process, the Company and Union confirm that Group Leaders are not supervisors (coaches) and will not perform the duties of supervisors. They are members of the bargaining unit and will not undertake any responsibilities that compromise their membership.

Specifically, Group Leaders cannot discipline or recommend discipline of fellow employees. They are not responsible for safety instruction. They are not accountable for meeting productivity goals. They will not conduct evaluations of fellow employees. No employee will be disciplined for refusing a request by the group leader assigned to his specific group.

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