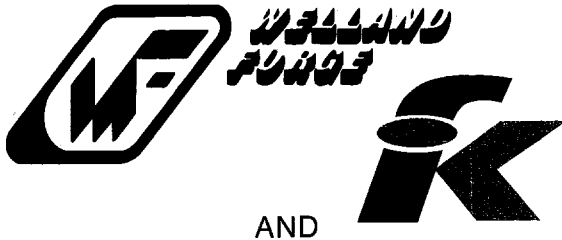


2003 - 2006

COLLECTIVE AGREEMENT

BETWEEN

WELLAND FORGE
FKI INDUSTRIES



AND

NATIONAL AUTOMOBILE
AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS
UNION OF CANADA
(CAW-CANADA) and its local 523

01805(07)

2003-2006

COLLECTIVE AGREEMENT

BETWEEN

**WELLAND FORGE
A DIVISION OF FKI INDUSTRIES CANADA
LIMITED**

AND

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION
AND GENERAL WORKERS UNION OF
CANADA
(CAW-CANADA) and its Local 523**

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THIS AGREEMENT ENTERED INTO THIS
17TH DAY OF JULY, 2003

BETWEEN:

WELLAND FORGE,
A DIVISION OF FKI INDUSTRIES
CANADA LIMITED

(hereinafter referred to as the "Company")

OF THE FIRST PART

- and -

NATIONAL AUTOMOBILE,
AEROSPACE TRANSPORTATION
AND GENERAL WORKERS
UNION OF CANADA (CAW-
CANADA) and its Local 523

(hereinafter referred to as the "Union")

OF THE SECOND PART

ARTICLE 1

GENERAL PURPOSE OF AGREEMENT

1.01 The parties are agreed that the purpose of the Agreement is to provide orderly collective bargaining relations between the Company and the Union, to secure prompt and equitable disposition of grievances and to eliminate interruptions of work and interference with the proper operation of the Company's business and to set out the agreement reached between the parties with respect to wages, hours of work and certain conditions of employment for the employees covered by this Agreement.

ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Union as the sole and exclusive collective bargaining agency for all its hourly employees with the exception of the following classifications of employment, who are not subject to the provisions of the Agreement, namely, Supervisors, persons above the rank of Supervisor, office and sales staff, quality control staff, security guards and students employed during the school vacation period.

2.02 It is agreed that students will not displace seniority employees from their jobs and that seniority employees will not be laid off while students are working. It is further agreed that students will not be hired while seniority employees are on lay off providing such laid off employee is able and willing to perform the work available.

2.03 For purposes of clarity, the parties have agreed that "Quality Control Staff" (excluded from the bargaining unit) includes those who inspect for the purpose of "first-off" approval and perform frequency sampling and problem sampling of production runs. "Inspectors" (in the bargaining unit) means "in line" inspection of parts

of the production run and is performed by the operator or inspector. Issue is resolved on the basis the company will make all non Bargaining Unit employees aware of the rules about doing Bargaining Unit Work.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 Except as specifically modified by this Agreement, all the rights, power and authority of management are retained by management and remain exclusively and without limitation within the rights of management. Without limiting the generality of the foregoing, management's rights shall include:

(a) the right to maintain order, discipline and efficiency and in connection therewith to make, alter and enforce from time to time, rules and regulations, policies and practices to be observed by its employees; the right to discipline and discharge employees for cause, provided that a claim of discipline or discharge without cause may be the subject of a grievance and dealt with as hereinafter provided.

(b) the right to: select, hire, transfer, assign to shifts, promote, demote, classify, lay-off, recall, suspend and retire employees.

(c) the right to determine: the location and operation of the business and its expansion or curtailment; the direction of the working forces; the products to be manufactured; the sub- contracting of work; the schedules of production; the number of shifts; the methods, processes and means of production; job content; quality and quantity standards; the right to use improved methods, machinery, and equipment; overtime; the number of employees needed by the Company at any time, are solely and exclusively the right of the Company.

(d) the sole and exclusive jurisdiction over all operations, buildings, machinery, tools and equipment is vested in the Company.

ARTICLE 4 - DISCRIMINATION

4.01 Both the Company and the Union agree that there shall be no discrimination or intimidation of any sort practised by either representatives of the management or representatives of the Union because of membership or non-membership in the Union. There shall be no discrimination against any employee in accordance with the Ontario Human Rights Code. The Union agrees that no Union member will conduct Union activities on the premises of the Company except as specifically permitted by this Agreement. It is further agreed that there will be no personal discrimination. In the event a grievor alleges personal discrimination he shall advise his immediate supervisor of such complaint. If the matter is not resolved by the grievor's immediate supervisor the grievor must, at Step 1 of the grievance procedure, or in the case of a discharge at Step 3 of the grievance procedure, specify such allegation and specify in writing all material facts and evidence upon which such allegation is based. If the matter proceeds to arbitration the grievor shall be bound by such specifics when proving his allegation of discrimination.

ARTICLE 5 - NO STRIKES OR LOCKOUTS

5.01 The Union undertakes that during the term of operation of this Agreement there shall be no strike, picketing, sitdown, slowdown, or any suspension of or stoppage of or interference with work or production against the Company which shall in any way affect the operations of the Company, nor shall there be any sympathy strikes or secondary boycotts, nor shall the Company engage in any lockout during the term of this Agreement.

5.02 Any employee or employees who during the life of this Agreement participate in any strike, picketing, sitdown, or any suspension of or stoppage of or interference with work or production, either complete or partial, or who participates in any secondary boycott or sympathy strike

or who instigates or who assists in instigating any of the foregoing shall be subject to discipline including discharge.

5.03 In the event of any alleged violation of Article 5.01 hereof, either party may cause the matter to be submitted to special arbitration and a special arbitrator shall be appointed who shall hold a hearing immediately or within twenty-four (24) hours of his being appointed. The special arbitrator shall be appointed by the Office of Arbitration upon application by the grievor.

5.04 The special arbitrator shall have all powers of an arbitration board as set out in Article 8 hereof and shall have the right to assess the costs of the arbitration against the parties or either of them.

5.05 In the event there is an interruption in the plant operation because of a strike, slowdown, picketing or other act in violation of this contract, the Company and the Union shall not consider the merits of any dispute, nor shall any arbitration other than the special arbitration provided in Article 5.03 hereof proceed, or continue until such time as the interruption has been terminated.

ARTICLE 6

MAINTENANCE OF MEMBERSHIP AND CHECK-OFF

6.01 During the life of this Agreement the Company agrees to deduct the regular Union dues from the weekly pay of each employee who has been in the employ of the Company for thirty (30) days. The Financial Secretary of the Local Union will notify the Company of any change in the amount of Union dues and/or initiation fee to be deducted in accordance with the Constitutional requirements of the National Union.

6.02 It is understood and agreed that the Union will save the Company harmless from any and all claims which may be made against it by any employee or employees for amounts deducted from wages as herein provided.

6.03 New employees shall not be subject to the provisions of paragraphs 6.01 and 6.02 of this Article until they have been in the Company's employment for a period of thirty (30) days. Upon the effective date of this agreement, all new employees, within thirty (30) days of their hiring date, shall as a condition of employment, become members of the Union and will complete and sign the "Application For Membership And Authorization For Check Off Of Dues and Initiation Fee" form A230-86. This form will be supplied to the Company by the Union and the Local Union copy of this form will be returned by the Company to the Local Union's Financial Secretary following its completion.

6.04 Deductions for each week together with a record of those employees from whom deductions have been made shall be remitted monthly to the Financial Secretary of the Union no later than the first week of the month following the month in which such deductions are made. The Company will also supply a list of those members who did not have Union dues deducted and why no deduction was made. Initiation fees will also be deducted in the same manner.

6.05 The Company shall supply the Shop Chairman of the Union or any other officer designated by him with lists of new and rehired employees and employees laid off for lack of work, showing their occupation and department and length of continuous service, at the time of remitting the dues deduction. The Company will provide the Union with a current list of employee names, addresses and telephone numbers on an annual basis.

ARTICLE 7 - UNION REPRESENTATION

7.01 The Company recognizes the right of the Union to appoint or select a Negotiating Committee comprising three (3) seniority employees, and will recognize and deal with such Committee with respect to negotiating the renewal or modification of this Agreement at the proper time. The Negotiating Committee is a separate entity from the Grievance Committee, and the Unit Chairperson and the Chief Steward will automatically be members of the Negotiating Committee.

It is the intent of the Union to have representation from each department

If, at the time of notice to bargain for the renewal of this Agreement, there are more than one hundred and fifty (150) employees in the bargaining unit, the Union shall be permitted one (1) additional member of the Negotiating Committee.

If, at the time of notice to bargain for the renewal of this Agreement, there are **more** than two hundred (200) employees in the bargaining unit, the Union shall be permitted another additional member of the Negotiating Committee.

In no event shall the Negotiating Committee be comprised of more than five (5) bargaining unit employees, each of whom must have seniority.

7.02 The Company acknowledges the right of the Union to appoint or otherwise select up to twelve (12) stewards, one of whom shall be designated Chief Steward, who shall be seniority employees of the Company, in accordance with the following unit and shift allocation. Each steward must be an employee of the department or group of departments which he has been designated to represent. The stewards shall be allocated as follows

provided there are four (4) or more employees on the shift in the department or group of departments designated:

- Forge Shop – one (1) steward per shift
- Cold Trim, Centre Bay, Shipping
- one (1) steward per shift
- Press Shop, Shear Shop
- one (1) steward per shift
- Maintenance, Die Room
- one (1) steward per shift

In the event a fourth (4th) shift is established the same principle with respect to steward representation shall apply. The Union's Grievance Committee shall be comprised of the Shop Chairman, the Chief Steward and the steward most directly concerned in the processing of the grievance. The Grievance Committee shall be limited to three (3) employees. If any of the Union officers involved on the Grievance Committee are on the same shift and in the same classification the Union will make arrangements to avoid more than one officer in the same classification and shift attending a meeting.

7.03 The Union will inform the Company in writing of the identity of all stewards and Grievance Committee members, and the department and shift which each steward represents and the Company shall not be obliged to recognize such personnel until it has been so informed. In addition to and subject to the same conditions as the foregoing, the Union shall advise the Company of all other Union personnel.

7.04 Stewards, members of Committees, and Union officers have regular duties to perform on behalf of the Company, and such persons shall not leave their regular duties without requesting and obtaining the permission of their foreman or immediate supervisor, and such permission will not be unreasonably withheld. When resuming their regular duties, they shall report to their foreman or immediate supervisor and will give a reasonable explanation with respect to their absence, when requested to do so.

7.05 Members of the Grievance Committee and the grievor will not suffer loss of pay for time spent in grievance meetings with the Company during the regular straight time hours of their employment with the Company. This provision shall not apply to time spent in arbitration. Officials of the Union as defined in Article 7.09 who are employees of the Company shall be paid at their regular or premium wages for all time spent in meetings with the Company, and will be based on the average earned rate as in statutory holiday pay calculation or actual earned rate, whichever is greater. It is understood that payment of premium wages for meetings called in accordance with the provisions of Article 19.04 will be limited to a maximum of two (2) hours.

7.06 If the Union representative wishes to visit the plant, he shall contact the Plant Manager and upon reasonable notice make such request. Consent will not be unreasonably withheld. During such visit the Union representative will be accompanied by a representative of the Company, shall observe all safety requirements, and shall not interfere with the work or production of the employees.

7.07 The Company will inform the Union in writing of management representatives engaged in the administration of this Agreement and of any changes in such personnel.

7.08 The Company will promptly notify a member of the Shop Committee, in writing, of the name, department, clock number and starting date of newly-hired employees.

7.09 For the purpose of this Agreement, the Negotiating Committee, Grievance Committee, and the stewards, together with the officers of the Local Union shall be deemed to be officials of the Union. The parties hereto agree that the Union officials occupy a position of leadership and responsibility to see that this Agreement is faithfully carried out.

7.10 The Company agrees to provide an in plant Union Office equipped with a telephone and office furniture for the use of shop Union representatives.

7.11 Effective November 18, 1997, the Company

agrees to pay cost of lost time for the Bargaining Committee while negotiating.

ARTICLE 8 - GRIEVANCE PROCEDURE

8.01 The grievance procedures herein provided for are among the most important matters in the successful administration of this Agreement. The Company and the Union therefore agree that the designated grievance procedure as hereinafter set forth shall serve as and constitute the sole and exclusive means to be utilized by the grievor for the prompt disposition, decision and final settlement of a grievance arising in respect of the interpretation, application, administration or alleged violation of this Agreement, and the specifically designated grievance procedure shall be strictly followed. Wherever the term "grievance procedure" is used in this Agreement, it shall be considered as including the arbitration procedure.

8.02 "Grievance" shall mean a complaint or claim concerning improper discipline or discharge, or a dispute with reference to the interpretation, application, administration or alleged violation of this Agreement.

8.03 The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step 1 of the grievance procedure within seven (7) days from the time the circumstances giving rise to the grievance occurred. However, if the Company does consider or process a grievance which has been presented late, the Company shall not be estopped or precluded at any stage from taking the position that the grievance is late and not arbitrable.

8.04 All time limits referred to in the grievance procedure herein contained shall be deemed to mean "working days", i.e., exclusive of Saturday, Sunday or the holidays set out in Article 12 hereof.

8.05 No employee shall have a grievance until he, or at his request, his steward has discussed this complaint with his immediate supervisor. If the employee's immediate supervisor does not promptly settle the matter to the employee's satisfaction an employee's proper grievance shall be processed as follows:

STEP NO. 1

If an employee has a grievance, the grievance shall, within the seven (7) days referred to in Article 8.03 hereof, be reduced to writing and presented to his Departmental Supervisor. If the employee wishes, he may have his steward or the Chief Steward, as the case may be, accompany him to see the Departmental Supervisor. The Departmental Supervisor shall give the grievor a written reply as soon as possible but not later than seven (7) days after such discussion. If the Departmental Supervisor's reply is not satisfactory to the grievor, the next step must be taken within seven (7) days of the Departmental Supervisor's answer, but not thereafter.

The written grievance referred to above shall identify: the facts giving rise to the grievance; the section or sections of the Agreement claimed violated; the relief requested; and shall be signed by the employee and countersigned by his steward.

STEP NO. 2

At this step the written grievance shall be presented to the Plant Manager, within the aforesaid seven (7) days of receipt of the Departmental Supervisor's written reply, but not thereafter. A meeting will be held between the Grievance Committee together with the grievor involved and the Plant Manager, together with other representatives of management, within seven (7) days of the presentation of the written grievance to the Plant Manager. The Plant Manager shall give his written reply to the Grievance Committee within seven (7) days of such meeting.

If the Plant Manager's reply is not satisfactory to the Grievance Committee the next step must be taken within seven (7) days after the delivery of the Plant Manager's reply to the Grievance Committee, but not thereafter.

STEP NO. 3

At this step, the Union shall, within the aforesaid seven (7) days, notify the Plant Manager in writing of its desire to appeal the decision of the Plant Manager to Step 3.

Within seven (7) days of the Union notifying the Plant Manager in writing of its desire to appeal the decision of the Plant Manager, a meeting will take place between the Grievance Committee (which may be accompanied by a Staff Representative of the Union) and a Management Committee. The grievor shall be present if requested by either party. The Company shall deliver its decision in writing to the Grievance Committee, within seven (7) working days of such meeting.

STEP NO. 4

In the event the grievance is not settled at Step 3, the party having carriage of the grievance shall request arbitration of the grievance by giving notice in writing to the other party within twenty-four (24) days from delivery of the decision at Step 3 to the Grievance Committee, but not thereafter.

If a request for arbitration is not so given within such twenty-four (24) day period, the decision at Step 3 shall be final and binding upon both parties to this Agreement, and upon any employee involved.

The notice to arbitrate shall contain the name and address of the moving party's nominee to the Board and shall also specify **all of** the outstanding issues of the written grievance to be dealt with by the Board and the remedy sought. The party giving such notice shall be bound by the same and shall be restricted at arbitration to the issues presented by the notice.

The recipient of the notice shall within ten (10) days advise the other party, in writing, of the name of its appointee to the arbitration board. The two appointees so selected shall, within ten (10) days of the appointment of the second of them, appoint a third person who shall be chairman. If the two appointees fail to agree upon a chairman, within the time limited, the Minister of Labour for

Ontario shall, if requested within fifteen (15) days from the expiry of the date upon which the two (2) appointees are to appoint a chairman (but not thereafter), forthwith appoint a qualified person to be chairman.

8.06 The arbitration board shall hear and determine the matter and shall issue a decision which shall be final and binding upon the parties and upon any employee affected by it. The decision of the majority shall be the decision of the arbitration board, but if there is no majority decision, the decision of the chairman shall govern.

8.07 The board of arbitration shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement, nor to adjudicate any matter not specifically assigned to it by the notice to arbitrate specified in Step 4 of Article 8.05 hereof.

8.08 Each party hereto shall bear its own costs of and incidental to any such arbitration proceedings. The fees and charges of the chairman of the board of arbitration shall be borne equally by the two parties hereto.

8.09 The time limits and other procedural requirements set out in this Article 8 are mandatory and not merely directory, therefore failure to put a grievance in writing at the proper step in accordance with the requirements hereof shall be deemed a complete waiver and abandonment of the grievance by the grievor. Any grievance not appealed from one step of the grievance procedure to the next within the specified time limit shall be deemed to be abandoned. No matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the grievance procedure within the times specified. The mandatory provisions of this Article 8 shall not be considered to have been waived by the parties or either of them unless they expressly provide a waiver thereof in writing signed by both parties. Section 48(16) of the Ontario Labour Relations Act shall only apply to Step. No. 4 of this grievance procedure.

8.10 A grievance which has been disposed of pursuant to the grievance provisions of this Agreement shall not again be made the subject matter of a grievance. This clause shall not preclude a different grievance from being filed respecting similar but different circumstances. A grievor shall have the right to withdraw the grievance at any stage of the proceedings unless the grievance alleges a violation of the Agreement and the Union decides to process it further.

8.11 A decision or settlement reached at any stage of the grievance procedure shall be final and binding upon all parties hereto, including the complaining employee, and shall not be subject to reopening by any party except by agreement in writing. If the grievance is settled at any step of the grievance procedure both the Company management and the Union representatives who pass on the same as provided herein shall, after ratification, sign the settlement as endorsed upon the written grievance, so that no question or argument may arise as to what the settlement was. Either party shall have the right to require the attendance of the grievor at any meeting held pursuant to the grievance procedure.

8.12 Union Policy Grievance or Company Grievance

A Union policy grievance or a Company grievance may be submitted to the Company or the Union, as the case may be, in writing within ten (10) days from the time the circumstances upon which the grievance is based were known. A meeting between the Company and the Union shall be held within five (5) days of the presentation of the written grievance and shall take place within the framework of Step 3 of Article 8.05. The Company or the Union, as the case may be, shall give its written decision within three (3) days of such meeting.

If the decision is unsatisfactory to the grieving party, the grievance must be submitted to arbitration within twenty-four (24) days of the delivery of such written decision and the arbitration sections of this Agreement shall be followed.

It is expressly understood that the provisions of this paragraph 8.12 may not be used by the Union to institute a grievance directly affecting an employee or employees which such employee or employees could themselves institute, and the provisions of Article 8.05 hereof shall not thereby be bypassed.

8.13 Discharge Cases

A claim by an employee that he has been discharged without proper cause shall be treated as a grievance and shall commence at Step 3 of Article 8.05 provided a written grievance signed by the employee and his Department Steward is presented to the Plant Manager within five (5) days after the discharge. A Staff Representative of the Union will be permitted to attend the meeting held pursuant thereto, with the Management Committee.

Prior to an employee being discharged, he will be suspended pending a meeting to be held between Company representatives and Union representatives such as the Shop Chairman and/or Chief Steward and/or the employee's steward. Such meeting shall take place within three (3) working days of the commencement of such suspension. If the Union is not able to meet within such three (3) working days, the employee may be discharged. Nothing contained herein shall be construed to limit the Company's right to discipline or discharge.

8.14 Such special grievance may be settled under the grievance procedure by:

- (a) confirming management's decision in dismissing the employee;
- (b) reinstating the employee with compensation for time lost;
- (c) or by any other arrangement which may be deemed just and equitable in the opinion of the parties or of an arbitration board.

8.15 Discipline

The Company agrees to show to an **employee** his Summary Discipline Record card provided the employee gives at least **twenty-four (24)** hours' notice to the Company and provided such card is viewed at the Personnel Office during its normal working hours.

8.16 An employee will be notified of a disciplinary notation being placed on his record. When an employee receives a discipline notice a copy will be sent to the Union.

8.17 Disciplinary notations will be removed from an employee's record after a period of twelve (12) months providing he received no further discipline for the same offence during such twelve (12) month period.

ARTICLE 9 - SENIORITY

9.01 A new employee will be considered a probationary employee until he has performed sixty (60) days of work for the Company. A day on which an employee performs four (4) hours of work or more shall be deemed to be one (1) day worked for the purpose hereof. During the probationary period an employee will be entitled to no seniority and may be dismissed or laid off at the discretion of the Company. At the end of the probationary period the employee will be entered on the seniority list as of the date of his last hiring.

9.02 For the purpose of applying the seniority provisions of this Agreement, such seniority provisions shall be applied only to the extent expressly provided in this Agreement. Subject to the provisions of this Agreement, seniority shall be by department and plant-wide. An employee with twelve (12) months or more of seniority who enters a department as a result of hiring, job bidding or a request for transfer, shall establish his plant-wide seniority in the department from the date of entry into such department and shall lose seniority in the department he has left. An employee's **plant-wide** seniority shall be and commence in accordance with the provisions of Article 9.01 hereof.

9.03 The Company shall keep departmental and plant-wide seniority lists revised as of January and July of each year and such lists shall be posted by the Company on a notice board to be provided by the Company for that purpose. The seniority lists shall be posted in four (4) sections of the plant including the lunch room and shall contain the employees' name, number and seniority date. Once per year the employees' classification shall be set out. It is the obligation of the Union and employees to bring any errors in such lists to the attention of the Company as soon as possible. Any act taken or done on the basis of the list prior to an error being brought to the attention of the Company shall stand. Any correction of the seniority lists shall take effect from the time of making the correction and such correction shall not operate retroactively.

9.04 Upon request the Company will furnish the Union and the Shop Chairman every three (3) months with a copy of such seniority list.

9.05 In filling permanent job vacancies within the bargaining unit and in cases of decrease or increase of the working force in the plant, the senior employee who is qualified to perform the work required shall be selected, retained in employment, or recalled, as the case may be. If a dispute arises as to whether the senior employee is qualified to perform the work required, the Company agrees to meet with the Shop Chairman and/or the Chief Steward within two (2) days to attempt to resolve the dispute before a grievance is launched.

9.05A "Permanent vacancy" as used in this Agreement, shall be deemed to mean a vacancy which the Company desires to fill and which arises as a result of:

- (i) the death, discharge, promotion out of the job, retirement or quit of an employee, or
- (ii) the creation of a new bargaining unit job by the Company, or
- (iii) any other job which the Company requires to be done on a full-time basis.

"Promotion" as used herein shall mean a permanent transfer to a **job** carrying a higher rate of pay or a higher range of rates.

9.06 An employee who is temporarily transferred to a higher rated job (~~a~~ higher rated job shall include a job whereby the range of rates is higher than the range of rates in the job from which the employee is temporarily transferred) shall be paid the rate of the job to which he is transferred. ~~If~~ the rate of the **job** to which an employee is temporarily transferred other than as a result of exercising his seniority during a lay-off or at an employee's request, is less than the rate of his regular job he shall be paid the rate of his regular job during the period ~~of~~ such temporary transfer. Where the transfer results from the exercise of seniority during a lay-off or as a result ~~of~~ the employee's request, he shall be paid the rate of the job to which he is transferred.

9.07 The appointment or selection of employees for supervisory positions or for any position not subject to the provisions of this Agreement is not covered by this Agreement, but if any employee on a seniority list is so transferred or appointed and later is transferred back to a position which is governed by this Agreement then he shall be accredited with seniority as follows:

- (i) Persons who are supervisors as of April 6, 1982 -- total service with the Company up to April 6, 1982 plus any future service in the bargaining unit.
- (ii) Employees who have been supervisors but are in the bargaining unit as of April 6, 1982 -- total service with the Company up to April 6, 1982 plus any future service in the bargaining unit.
- (iii) An employee who becomes a supervisor after April 6, 1982 -- seniority at the time he becomes a supervisor plus up to one (1) year accumulation of seniority as a supervisor plus any time in the bargaining unit after becoming a supervisor.

9.08 An employee shall lose all seniority and service rights and his employment shall be terminated if:

- (a)** an employee voluntarily quits;
- (b)** an employee is discharged for cause and is not reinstated under the provisions of the grievance and arbitration provisions of this Agreement;
- (c)** a person on lay-off fails to return to work within five (5) days after the Company's notice of recall is delivered by hand, registered mail or telegram to the last address of the person shown on the Company's records, or if the person within two (2) days after such notice of recall is so delivered fails to notify the Company of his intention to return to work;
- (d)** an employee:
 - (i)** having less than one (1) year's continuous service with the Company, is laid off for a period in excess of the number of months he has worked;
 - (ii)** having one (1) year's continuous service but less than two (2) years' continuous service with the Company is laid off for a period in excess of two (2) years;
 - (iii)** having two (2) years' or more continuous service with the Company is laid off for a period in excess of three (3) years;
- (e)** if an employee absents himself from work for three (3) consecutive working days without a reason justifiable to the Company. In considering whether a reason is justifiable, the Company will not act in an arbitrary or unfairly discriminatory manner. This Article 9.08(e) shall not be interpreted as permitting any unauthorized absence;
- (f)** if an employee fails to return to work promptly after the expiration of any leave granted to him unless he is excused by the Company.
- (g)** the record of attendance of the employee confirms an excessive amount of absence or frequent absences that has not been substantially improved and maintained through progressive measures from awareness/counseling to disciplinary warning and suspensions from work.

9.09 In accordance with the preceding subsection, an employee shall not suffer loss of seniority during the applicable periods of lay-off provided in Article 9.08(d).

9.10 Sick Leave

An employee, who because of illness or injury requiring an absence from his job for more than two (2) work days, shall, upon furnishing evidence satisfactory to the Company of such illness or injury, which may include examination by a Company-appointed physician, be granted a sick leave for the duration of the period of his disability due to such illness or injury. The employee shall furnish supplementary medical evidence of disability, from time to time, as required by the Company. Failure to furnish such evidence of disability will result in the termination of the employee's employment and seniority. Before any employee on sick leave may return to work he must present a doctor's certificate stating that he has fully recovered both physically and mentally and is able to return to his regular job classification or other available work and perform such job in accordance with the Company's quality and production standards. The Company reserves the right to have any employee examined by a Company physician in connection with a sick leave.

When the Company, in the exercise of its rights under this Article 9.10, requires an employee to furnish it with medical proof of illness or injury or a doctor's certificate that the employee has recovered, the Company agrees to reimburse the employee for one hundred percent (100%) of the doctor's fee for such proof or certificate up to a maximum Company contribution of fifty dollars (\$50.00) over and above any amount O.H.I.P. would pay. The provisions of this paragraph will apply to a doctor's fee for completion of Weekly Indemnity forms but will not apply to a doctor's fee for completion of Workers' Compensation forms.

9.11 It shall be the duty of the employee or laid off person to notify the Company promptly, in writing, of any change of address. If an employee or laid off person should fail to do this, the Company will not be responsible for failure of a notice to reach him and any notice sent by the Company by registered mail to the address which appears on the Company's personnel records, or telephoned to the telephone number which appears on the Company's personnel records, shall be conclusively deemed to have been received by the employee or laid off person.

9.12 An employee must advise his foreman if he is unable to come to work. If the employee cannot reach his foreman he shall contact the Personnel Office if during normal working hours, otherwise the security guard. Three (3) consecutive days' absence without notification shall be cause for dismissal.

9.13 A seniority employee who is transferred to another department pursuant to the provisions of Article 9.14 hereof shall retain his departmental seniority in the department from which transferred and shall return to such department in accordance with his seniority and qualifications when work becomes available in such department. Such employee shall not acquire departmental seniority in any department to which he is transferred as a result of the exercise of the provisions of Article 9.14 hereof until he has performed sixty (60) days of work in the new department at which time he will be credited with his plant seniority as departmental seniority. A day on which an employee performs four (4) hours of work or more shall be deemed to be one (1) day worked for the purpose hereof.

9.14 Lay-off and Recall

When there is a layoff in the plant, the Company will make assignments so that the junior employee in the plant will be laid off prior to employees with greater plant-wide seniority provided such senior employees are qualified to perform the work required.

When, after a lay-off, work becomes available, employees shall be recalled in order of plant-wide seniority provided the senior eligible employee or employees are qualified to perform the work required. The Company will give to the Shop Chairman a copy of the Notice of Recall, within one (1) day of mailing such Notice to the employee who is being recalled.

9.14A In the case of a lay-off of more than two (2) working days, an employee who possesses the necessary skill, qualifications and experience, will be permitted to displace an employee with less seniority in one (1) of the classifications listed below and will be given training. In the exercise of this Clause, the employee may bump into one (1) of the following classifications. The classifications referred to above are:

Normal Training Period

- cold press operator	up to two (2) days
- saw operator	up to five (5) days
- sandblast operator	up to three (3) days
- cold inspection	up to two (2) days
- shipper	up to ten (10) days
- shipper helper	up to two (2) days
- lift truck operator	up to two (2) days
- labourer	up to two (2) days
- hydraulic drill operator	up to three (3) days
- shear operator	up to ten (10) days
- trimmer	up to three (3) days
- magnalco operator	up to five (5) days

9.15 (1) Exceptions to Lay-off

Procedure Set Out in Article 9.14

(a) Time spent on lay-off will not count in qualifying for incremental wage increases.

(b) In all cases of temporary lay-off (i.e., up to two (2) full regular working days) seniority need not be considered. No seniority employee shall be laid off for a total of more than five (5) full regular working days per calendar year (i.e., January 1 - December 31) as a result of this

Article 9.15(1)(b). This Article 9.15(1)(b) will not be used for disciplinary purposes.

(c) (I) Re Vacation Shutdown

The Company agrees that the senior qualified employee will be given preference for work required in his classification during vacation shutdown subject to the following conditions:

A) the senior employee shall not be entitled to take more than three (3) consecutive weeks' vacation outside of the shutdown period,

B) this provision does not apply to employees in training programs,

C) provided it does not result in the lay-off of an employee who is not entitled to at least three (3) weeks' vacation.

(II) Re Inventory

In selecting employees to do inventory work the Company will give preference to the senior qualified employees in the classification required. Nothing contained herein shall require the Company to offer inventory work to employees whose normal work is available and required. Incentive employees working inventory will be paid at their straight time average hourly rate earned during the last 2 complete weeks of work.

(d) The Company agrees to accord a preferred seniority status to the Chief Steward and Shop Chairman providing there is work available in the plant which they are qualified to perform.

(e) The following shall apply to a steward who is about to be bumped from his department: The steward shall be assigned by the Company to any job which he is qualified to perform, whether or not such job is being performed by a more senior employee, subject to the following:

1) the job shall be in the group of departments which he has been designated to represent as set out in Article 7.02, and

2) the Company shall have the sole discretion in determining the job to which he is to be assigned.

Note: Re Lay-off of Lead Hand - see Article 21.04A.

9.16 Job Posting

The Company agrees to advertise:

(i) permanent job vacancies, and

(ii) temporary vacancies which are anticipated to last for thirty (30) days or more and which result from sickness, accident or leave of absence, for three (3) days. The posting will show the classification rate for the job. Where a temporary vacancy as specified above has been filled in accordance with the provisions hereof, employees who have transferred as a result of such temporary job posting shall return to their old jobs when the regular incumbent is ready to go back to his own job. During the posting period the Company may temporarily fill the job as it deems proper. In order for an employee to be considered the applicant must have the qualifications to perform the job in accordance with the Company's quality and production standards and must not have transferred to a new permanent job under this Article within the last six (6) months. Selection will be made in accordance with the provisions of Article 9.05 hereof. The Company will consider applications from employees in accordance with the provisions of Article 9.05 and their plant-wide seniority.

All employees interested in the job vacancy must make application within three (3) working days. Nothing contained herein shall be interpreted as requiring the Company to fill any vacancy. If there are no suitable applications, the Company may fill the vacancy from any source.

9.17 Whenever the contents of a current job are modified and/or the wage rates of any current job are to be amended, full discussion will take place with the Union Committee for input and mutual agreement.

9.18 Wherever used in this Agreement the word "qualified" or the like shall mean possessed of the accomplishments which enable the person to perform the work required in the department in accordance with the Company's quality and production standards.

ARTICLE 10 - LEAVE OF ABSENCE

10.01 Requests for leave of absence must be made to the Plant Manager, and if granted, such leave of absence will be confirmed in writing. A leave of absence, except as otherwise provided herein, shall be permissive only, and shall be understood to mean an absence from work requested in writing by the employee on the form provided for such purpose and consented to in writing by the Plant Manager, covering a permitted period of time for personal reasons. Leave of absence will not be granted to accept other employment of any kind. Leave of absence shall be permissive only and shall be without pay or any other form of compensation. The Company agrees, as a matter of policy, to attempt to cooperate with employees with respect to leave of absence for personal reasons, wherever practical.

10.02 Normally, a leave of absence will not be granted for a period in excess of three (3) months.

10.03 The Company will grant leave of absence to not more than two (2) seniority employees at the same time for legitimate Union business such as convention delegates for a period not to exceed a total of twenty (20) working days per year in respect of all such leaves of absence. The foregoing, however, is subject to the limitation that such leave of absence may be withheld by the Company if the absence of any such employee will unduly interfere with production. The Union shall make such request as early as possible, but in any event, such request shall be accorded a leave of absence for the duration of his term of office.

10.03 - A After receiving written authorization from the Union the Company will pay an employee his normal pay for time lost due to a leave of absence for Union business except in the case of a full-time Union Representative appointment and the Union will reimburse the Company promptly after being billed by the Company.

The written authorization from the Union shall state the employee's(s') name or names, the date or dates and the number of hours for each date for which such payment

is to be made for each such employee. Such authorization must be received by the Personnel Department no later than close of office hours Tuesday for inclusion in the employee's(s') pay for that week.

10.04 P

The Company agrees to pay into the CAW Leadership Training Fund two cents (2¢) per hour for every hour worked from October 1, 2000, for the purpose of providing paid education leave for upgrading employee skills in all aspects of Trade Union functions. Payments will be made into a trust fund established by the National Union (CAW-Canada) and sent by the Company to the following address:

P.E.L. Training Fund,
CAW-TCA Canada,
205 Placer Court,
North York, Ontario
M2H 2H9

Cheques will be made payable every Quarter to the CAW Leadership Training Fund.

The Company further agrees that employees selected by the Union to attend such courses will be granted a leave of absence without pay for twenty (20) days class time plus travel time when necessary, intermittent over a twelve (12) month period from the first day of leave. Employees on such leave of absence will retain all benefit coverage and continue to accrue seniority.

The Company further agrees to pay to the Social Justice Fund a lump sum of five hundred dollars (\$500.00) on October 1, 2003, October 1, 2004 and October 1, 2005.

ARTICLE 11 - HOURS OF WORK AND OVERTIME

11.01 It is hereby expressly understood and agreed that the provisions of this Article 11 are for the purpose of computing overtime pay and shall not be construed to be a guarantee of or limitation upon the hours of work to be done per day or per week or otherwise, nor as a guarantee of working schedules.

11.02 The normal work week of all employees shall consist of five (5) consecutive days of eight (8) hours each, which includes a paid lunch break.

11.03 The Company may require employees to perform work in excess of their regularly assigned hours. An overtime rate of one and one-half (1½) times the employee's rate shall be paid for all hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in a week.

11.04 Employees shall be paid overtime at the rate of one and one-half (1½) times the employee's straight-time hourly rate for all time worked upon Saturday. Employees shall be paid overtime at the rate of two (2) times the employee's straight-time hourly rate for all time worked upon Sunday except that an employee whose first shift of the week starts on Sunday evening and continues into Monday shall be paid at straight-time rate.

11.05 Overtime premium shall not be paid as a result of work performed under the following circumstances:

- (a) an exchange of shifts requested by the employee and consented to by the Supervisor;
- (b) the application of seniority in a reduction of force;
- (c) the granting of a request for transfer.

11.06 (a) When overtime is to be performed by employees in a department, the Company will endeavour as far as practicable to equitably allocate the overtime among qualified employees of the department who presently and normally perform the major or dominant portion of the work required. However, production lines or group operations will not be affected or interfered with. An employee on an individual operation or assignment will not be dis-

placed for overtime occurring at the end of a regular shift. Employees who are absent from work for any reason shall be considered not available for the allocation of overtime, and shall not be entitled to be called in. When, upon request of the employee, the Company excuses an employee from overtime work allocated to him, the employee will be considered to have worked for the purposes of this Clause.

(b) Where possible, the Company will give at least four (4) hours' notice of needed overtime that day. The Company may require each employee to perform up to sixteen (16) hours per calendar month of mandatory overtime, and the employees by ratification of this agreement agree through their bargaining agent, the Union, to work such overtime. An employee who has been required to work sixteen (16) hours of mandatory overtime in a calendar month shall thereafter have the right to decline further overtime for the remainder of such month. Nothing contained herein shall be construed as permitting a concerted refusal to work overtime. The Company will attempt to meet its overtime needs on a voluntary basis before requiring mandatory overtime. The Company will give consideration to an employee's request to be excused from an overtime assignment for serious legitimate reasons.

(c) When mandatory Saturday or Sunday overtime is required, the Company will, where possible, give forty-eight (48) hours notice by posting such requirements. However, in all cases of mandatory Saturday or Sunday overtime, the Company must give twenty-four (24) hours notice by posting such requirements. Failure to provide twenty-four (24) hours notice will result in the employee or employees being excused from that assignment. It is agreed that such notice of overtime is not required for unscheduled maintenance repairs.

(d) When mandatory overtime is required for Saturday or Sunday on incentive units, the crew desig-

nated to work that overtime will only be required to perform work on their regular shift from the current week unless there is mechanical failure and/or absence of a crew member or members only.

11.07 Where practicable, a meal shall be brought into the plant for employees who work more than two (2) hours of overtime immediately after completion of their regular daily scheduled hours. The meal shall be to the value of \$10.00. Where it is not practicable to bring the meal into the plant, the employee shall be paid the sum of \$10.00.

11.08 (a) A shift premium of thirty cents (30¢) per hour will be paid for hours worked during the evening shift and a shift premium of thirty-five cents (35¢) per hour will be paid for hours worked during the night shift. Effective October 1, 2001, these shift premiums will increase to 35¢ and 40¢ respectively. Effective October 1, 2002, these shift premiums will increase to 40¢ and 45¢ respectively.

(b) The foregoing shift premiums will be paid only to employees who are actually regularly scheduled to work such shifts and the evening premium shall not be paid to employees whose work on the day shift continues into the evening shift, nor will the night shift premium be paid to employees on the evening shift whose work continues into the night shift.

(c) An employee required by the Company to change his shift schedule, with the change resulting in less than fifteen (15) hours between schedules, will be paid one and one-half (1½) times his rate for the first eight (8) hours worked on his new schedule. The provisions of this Article 11.08(c) shall not apply when such shift change results from a mechanical or tooling problem, or an employee does not have a regular weekly shift schedule.

11.09 In no case will there be a duplication or pyramiding of daily or weekly overtime or any other overtime or premium compensation.

ARTICLE 12 - STATUTORY HOLIDAYS

12.01 (a) The following days will be recognized as holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day (+ 1 day)	Christmas Day
Dominion Day	Boxing Day

(b) In addition to the foregoing, there will be four **(4)** additional Statutory Holidays, making a total of thirteen (13) Statutory Holidays. These four **(4)** additional Statutory Holidays will be observed at the Christmas break. The Company will designate the dates of the four **(4)** additional Statutory Holidays at the Christmas break and will advise the Union and employees of such dates.

12.02 It is the intent of the Company to protect employees against the loss of straight-time pay on holidays enumerated in Articles 12.01(a) and (b) above. For this purpose, the Company agrees to pay on each of such holidays for the number of straight-time hours the employee would have worked had there been no holiday, at the straighttime average hourly rate of pay earned during the week previous to the week in which the holiday is observed. In accordance with Article 12.03 and 12.06, should an employee who would otherwise qualify for statutory holiday pay but have no hours worked during the week previous to the week in which the holiday is observed, statutory holiday pay in this instance will be calculated from the straight time average hourly rate of pay earned during his/her last complete week of work previous to the week in which the holiday is observed.

12.02(i) For the purpose of calculating statutory holiday pay at the Christmas/New Year's break to qualifying employees in accordance with Article 12.03 and 12.03(i), statutory holiday pay will be calculated at the straight time average hourly rate of pay earned during the last two (2) complete weeks' of work ending December 7 of the year in question.

12.03 In order to qualify for pay on a statutory holiday an employee must:

(a) have completed his probationary period and been placed on the seniority list of his respective department, and

(b) work his full regular shift on the working day before and on the working day after the statutory holiday, except where absence on one (1) such day is occasioned by duly verified sickness, accident or other unavoidable cause, or where permission has been obtained for such absence on one (1) or both such days, specifically, and

(c) perform some work during the week in which the holiday is observed. A person on lay-off pursuant to the provisions of Article 9.15(b) hereof shall be excepted from the operation of this Article 12.03(c).

12.03(I) Notwithstanding the foregoing, for purposes of entitlement to statutory holiday pay for the Christmas/New Year's period, an employee who would otherwise have qualified for holiday pay but is prevented from doing so due to lay-off will be entitled to holiday pay if he performs work for the Company within the ten (10) working day period immediately before or the ten (10) working day period immediately after the date of observance of the holiday(s).

12.04 An employee required to work on a statutory holiday shall be paid for such work at the rate of double time (2x) in addition to his regular holiday pay, provided that he is eligible for holiday pay.

12.05 An otherwise eligible employee, who is scheduled to work one (1) of the above holidays but does not report for work and work as scheduled, shall forfeit his holiday pay for that particular holiday, unless he is able to provide a reason satisfactory to the Plant Manager for such failure.

12.06 If any of the holidays set out in Article 12.01(a) or (b) hereof is observed during a regular scheduled work week during an employee's vacation, the employee, if otherwise entitled to holiday pay, will be given an additional day off with pay.

ARTICLE 13 - REPORTING TO WORK

13.01 An employee who reports to work on his regular shift (who has failed to receive at least two (2) hours' notice at his last recorded telephone number not to report) shall receive not less than four (4) hours' work and pay therefor, or not less than four (4) hours' pay. This provision shall not apply in the event of strikes, labour disputes, or if failure of public utilities interferes with work being provided and circumstances beyond the Company's control.

ARTICLE 14 - CALL-IN

14.01 An employee called in to work outside of his scheduled hours will be paid a minimum of four (4) hours' pay for such work. However, when an employee after leaving the plant at the completion of his shift is notified to report for work less than four (4) hours prior to his regular starting time and he is expected to work through his regular shift, he will be paid only for the hours worked in excess of eight (8) on an overtime basis.

ARTICLE 15 - BEREAVEMENT

15.01 When death occurs in a seniority employee's immediate family (i.e., spouse, daughter, sister, brother, grandchild, son, mother, father), the employee, on request, will be excused for a period not to exceed five (5) working days from the day of death. In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's base hourly rate exclusive of premiums.

15.01(l) When a death occurs in a seniority employee's current family (i.e. mother-in-law, father-in-law, grandparent, sister-in-law, brother-in-law of the employee), the employee, on request will be excused for a period not to exceed three (3) working days from the day of the death. The terms sister-in-law, and brother-in-law are defined as

the brother or sister of the employee's current spouse and the wife or husband of the employee's sister or brother.

In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's base hourly rate exclusive of premiums.

15.02 In the event of the death of the grandparent of the employee's current spouse or the wife or husband of the current spouse's brother or sister, the employee, on request will be excused for one (1) working day for the purpose of attending the funeral. In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's base hourly rate exclusive of premiums.

NOTE: Incentive Employees to be paid at their straight time hourly rate earned during the last 2 complete weeks of work.

ARTICLE 16 - VACATIONS WITH PAY

16.01 The normal vacation period shall be between June 1st and September 1st of each year. In order that there shall be as little disruption as possible to the business of the Company, the time at which vacations will be granted shall be determined by the management. Preference of time at which employees wish to take their vacations will be given consideration and where such vacations are staggered the seniority of the employees will be taken into consideration as to the choice of time of each employee's vacation. Vacation dates may be changed by the Company in cases where it is found necessary for efficient operation. If, after confirming vacation dates, the Company requires an employee to change such vacation date, the Company will compensate the employee against accrued receipts for any loss in deposit by the employee as a result of the Company's action.

16.02 The Company will grant each employee subject to this Agreement a vacation period with vacation pay to be computed as follows:

- less than one (1) year as of June 1st - in accordance with the Employment Standards Act:
- one (1) year or more as of June 1st - two (2) weeks' vacation with pay equivalent to four percent (4%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- two (2) years' service as at June 1st - two (2) weeks plus one (1) day vacation with pay equivalent to 4.4 percent (4.4%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- three (3) years' service as of June 1st - two (2) weeks plus two (2) days' vacation with pay equivalent to 4.8 percent (4.8%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- four (4) years' service as of June 1st - two (2) weeks plus three (3) days' vacation with pay equivalent to 5.2 percent (5.2%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- five (5) years' service as of June 1st - three (3) weeks' vacation with pay equivalent to six percent (6%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- ten (10) years' service as of June 1st - three (3) weeks plus three (3) days' vacation with pay equivalent to seven percent (7%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;
- twelve (12) years' service as of June 1st - four (4) weeks' vacation with pay equivalent to eight percent (8%) of the employee's earnings from the Company received during the twelve (12) months ending

May 31st of the year in question;

-- Commencing the 2005 vacation year - fifteen (15) years' service as of June 1st - four (4) weeks' plus two (2) days vacation with pay equivalent to 8.4 percent (8.4%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;

-- Commencing the 2002 vacation year - twenty (20) years' service as of June 1st - five (5) weeks' vacation with pay equivalent to ten percent (10%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;

-- Commencing the 1999 vacation year - thirty (30) years' service as of June 1, 1998 - six (6) weeks' vacation with pay equivalent to twelve percent (12%) of the employee's earnings from the Company received during the twelve (12) months ending May 31st of the year in question;

16.03 If the Company closes the plant for a vacation shutdown and if specific employees are required to work during the vacation shutdown, such employees shall be given their vacation at a later date. When such later vacation date is agreed to between the Company and the employee, it will not be altered without their mutual consent.

16.04 The term "earnings" as used herein shall mean all wages earned from working for the Company including overtime, holiday pay, and vacation pay but shall not include weekly indemnity, Workers' Compensation or Employment Insurance.

16.05 It is not permissible to postpone vacation from one year to another. It is not permissible for employees to omit taking the vacations to which they are entitled and draw vacation pay allowance in lieu thereof.

16.06 Vacation pay earned will be paid when vacation is taken.

ARTICLE 17 - BULLETIN BOARDS

17.01 The Company agrees to the posting of Union notices on bulletin boards in the plant, subject to the following. Bulletin boards shall be supplied by the Company in the main cafeteria and at the punch clocks at the entrance to:

- 1) Die Room and Press Shop
- 2) Shear Shop and Cold Inspection
- 3) Forge Shop.

Union notices shall be with respect to Union meetings or social events and shall first require the stamped approval of the Plant Manager prior to posting. No change shall be made in any such notice either by the Company or by the Union after it has received the stamped approval of the Plant Manager.

17.02 The Union will not distribute or post on the property of the Company for or on its behalf, any pamphlets, advertising or political matter without the written permission of the Operations Manager.

ARTICLE 18 - WASH-UP

18.01 Employees shall be allowed ten (10) minutes at the end of each shift for the purpose of washing up, immediately before quitting time.

ARTICLE 19 - SAFETY AND HEALTH

19.01(a) The Company shall institute and maintain all precautions to guarantee every worker a safe and healthy workplace. The Company shall comply in a timely manner with the Occupational Health and Safety Act. The Company and the Union agree to recognize the Occupational Health and Safety Act in effect on January 1, 1997 as a minimum standard.

(b) The Company and the Union agree to maintain a Joint Health and Safety Committee in accordance with the Occupational Health and Safety Act. The representation on this Committee shall be three (3)

members chosen by the Union and three (3) members chosen by the Company. The Committee shall meet at least once a month.

(c) Two Co-Chairpersons shall be selected from and by the members of the Committee. One of the Co-Chairpersonsshall be a Union member and the other shall be a Company member.

(d) The Committeeshall assist in creating a safe and healthy work place, shall recommend actions which will improve the effectiveness of the health and safety program and shall promote compliance with appropriate laws and regulations.

(e) Without limited the generality of the foregoing, the Committee shall:

- Determine that inspections have been carried out at least once a month,
- Determine that accident and incident investigations have been made,
 - Recommend measures required to attain compliance with appropriate laws where warranted,
- The Co-Chairpersons shall participate in and keep a record of all inspections and work refusals, and
 - Solicit and consider recommendations from the work place with respect to health and safety matters and recommend implementation where warranted.

(f) Time spent by members of the Committee in the course of their duties during their regular working hours shall be paid in accordance with the terms of this collective agreement.

(g) The Company shall ensure that all employees are informed that they have the right to refuse hazardous work. If an employee exercises such right, he/she shall immediately notify the Supervisor and a member of the Committee. The Committee may recommend a solution to the problem with the agreement of the refusing employee.

(h) The Company will furnish the Union with a copy of its report to the Workers' Compensation Board re: lost time accidents of more than one (1) full shift.

(i) Each year on April 28 at 11:00 a.m. work will stop and one minute of silence will be observed in memory of workers killed or injured on the job.

19.02 The Company will furnish spats to hammersmiths, press operators and those other employees who are designated by the Company as requiring spats. Employees to whom spats are issued must turn in the old pair to get a new pair.

19.03 The Company will pay for one (1) pair of safety boots and metatarsals per year provided they are obtained by the employee from a supplier designated by the Company. Employees must wear safety boots and metatarsals at all times while at work and they must be kept in good repair.

19.04 Employee-Management Committee - An Employee-Management Committee will be established and maintained with three (3) employee representatives together with the Union Business Representative and a Management Committee comprised of up to four (4) persons and such Committee shall meet upon request to discuss matters of mutual interest concerning the relationship of the parties to this Agreement. Each party shall submit to the other, one (1) week prior to the meeting, an agenda of the matters it wishes to discuss.

ARTICLE 20 - WELFARE

20.01 Notwithstanding anything to the contrary contained in this Agreement, the benefits and plans of insurance hereinafter referred to are qualified in their entirety by reference to the underlying policies and contracts of insurance or statutes or regulations. The terms of any contract, statute or regulation in respect thereof by any insurance agency or governmental agency shall be controlling in all matters pertaining to qualifications of employees for benefits thereunder and in all matters pertaining to the existence and extent of benefits and conditions.

20.02 For employees with three (3) months employment with the Company, the Company agrees to pay one hundred percent (100%) of the present cost of providing the following benefits, however, if the present cost with respect to providing any of the following benefits is reduced, the savings shall accrue to the Company:

(a) Ontario Health Insurance Plan (O.H.I.P.)

(b) Weekly Indemnity- 1-4-39 - seventy percent (70%) of the employee's regular straight time earnings to \$460 maximum. First day coverage for hospitalization (includes hospitalized day surgery) and accident. The maximum amount for active employees will increase to \$470 Oct1/04, and to \$480 Oct. 1/05.

In consideration of the fact that the Company is herein providing benefits greater than those required by the Employment Insurance Act for qualifying for the premium reduction, the parties hereto agree that the Company shall be entitled to retain the full amount, i.e., twelve-twelfths (12/12) of the premium reduction granted by the Employment Insurance Commission.

NOTE: The foregoing Weekly Indemnity benefits are based upon the regular straight time base earnings of employees, exclusive of premiums, and are based upon the employee's rate as of October 1st in each year.

(c) Term Life Insurance

- October 1, 2002	- \$42,000.00
- October 1, 2003	- \$43,000.00
- October 1, 2004	- \$44,000.00
- October 1, 2005	- \$45,000.00

Accidental Death and Dismemberment

- October 1, 2002	- \$42,000.00
- October 1, 2003	- \$43,000.00
- October 1, 2004	- \$44,000.00
- October 1, 2005	- \$45,000.00

(d) Permanent Total Disability Benefit

Effective November 11, 1994, employees who are totally and permanently disabled may apply for a life conversion subject to the terms, conditions and administration of the Insurance Carrier.

(e) **Supplemental Hospital** - Provides coverage for the full cost of Semi-Private accommodation payable to a maximum of one hundred and twenty (120) days during any disability.

(f) **Out-Patient Hospital Expense** - Covering treatment of an out-patient in any licensed hospital as a result of non-compensable sickness or accident, including massage therapy, payable up to \$550.00, and up to \$600 effective Oct. 1, 2005

(g) **Major Medical** - \$10.00 single deductible

- \$20.00 family deductible
- no co-insurance
- maximum of \$10,000.00 per person
- two family deductible applicable

(h) **Pension** - Pension plan to be mandatory for employees on attaining seniority; Mandatory Retirement - first of month following 65th birthday.

Effective October 1, 1999, Company contributions for employees with seniority shall be five and one-half (5½%) percent. Company contributions for employees 55 years of age with 20 years of service shall be six (6%) percent.

Effective October 1, 2000, Company contributions for employees 50 years of age with 20 years of service shall be six (6%) percent.

Employee contributions shall be a minimum of two and one-half percent (2½%) with employee having the option of increasing his contributions to match Company's contributions.

Survivor - Upon death of an employee with two (2) or more years of service the employee's beneficiary will receive the accrued pension benefits in accordance with the following:

(a) If the beneficiary is the spouse, the spouse shall receive the lump sum death benefit or a pension benefit;

(b) If the beneficiary is not the spouse, the beneficiary shall receive a lump sum settlement as death benefit.

Disability Retirement Pension

Employees who are prevented by disability from performing the employment duties of his/her job and have completed ten (10) years of service with the Company, may elect a Disability Retirement Pension on acceptance of a medical certificate defining his/her disablement.

The Company agrees that an employee shall have full vesting after two (2) years membership in the Plan. Such vested contributions shall be locked in to provide a deferred pension or be transferred to a non-cashable R.R.S.P.

NOTE: Two (2) years membership for vesting is retroactive to entry into pension program.

(i) Dental Plan - The Company will pay one hundred percent (100%) of the premium cost of a dental plan including endodontal with deductible of \$10.00 single and \$20.00 family. Such plan will pay one hundred percent (100%) of covered bills to \$1,750.00, maximum per person per year, based on the previous year's O.D.A. Schedule of Fees. Effective October 1, 1998, covered expenses include 50% co-share for dentures, caps, crowns and bridges. Effective October 1, 2000, covered expenses to include white fillings.

(j) Vision Care - Effective October 1, 2003 the Company will pay one hundred percent (100%) of the premium cost of a Vision Care Plan to a maximum benefit of \$225.00 for each 24 month period, increasing to \$250 effective October 1, 2004

20.03 Retirees

(i) An employee whose combined age and service with the company total 85 or greater, shall be permitted to retire early provided such employee gives to the Company six (6) month's notice in writing. Upon early retirement under this clause, employees and their eligible dependants shall receive supplementary health care benefits and dental benefits to the earlier of the employee's death or dependent reach-

ing age 65 years. In the event of the employee's death, the dependent will continue to receive coverage for one full year. A paid up life policy of two thousand dollars (\$2000.00) will be provided upon retirement. (ii) An employee who has reached the age of sixty (60) and has a minimum of fifteen (15) years of continuous service with the company shall be permitted to retire early provided such employee gives to the Company six (6) months notice in writing. Upon early retirement under this clause, employees and their eligible dependents shall receive supplementary health care benefits and dental benefits until the earlier of the employee's death or the employee reaching age 65 years. In the event of the employee's death, the dependent will continue to receive coverage for one full year but not beyond the age of 65 years. A paid up life policy of two thousand dollars (\$2000.00) will be provided upon retirement.

ARTICLE 21 - WAGES

21.01 (1) Wage Rates

Effective October 1, 2003 the wage rates set out in Schedule "A", Schedule "B" and Schedule "C" hereto shall apply.

Effective October 1, 2004 the wage rates set out in Schedule "A-1", Schedule "B-1" and Schedule "C-1" hereto shall apply.

Effective October 1, 2005 the wage rates set out in Schedule "A-2", Schedule "B-2" and Schedule "C-2" hereto shall apply.

(2) Incentives

(a) The Company will review or establish hammer and press production standards so that experienced qualified hammer and press operators working at peak in-

centive pace on induction furnaces without interruption can earn the following hourly rates based upon present methods, equipment and operating procedures:

21.01(a) Effective October 1, 2003

Hammers	<u>Oct. 1/03</u>	<u>Oct. 1/04</u>	<u>Oct. 1/05</u>
1500 Gravity	n/a	n/a	n/a
2500 Gravity	n/a	n/a	n/a
3000 Gravity	n/a	n/a	n/a
4000 Gravity	26.54	26.64	26.74
6000 Gravity	27.34	27.44	27.54
2000 Double Acting	27.11	27.21	27.31
4000 Double Acting	27.63	27.73	27.83
5000 Double Acting	28.40	28.50	28.60
4000 Hydraulic	26.54	26.64	26.74
3000 Die Forger	26.81	26.91	27.01
 Presses	 <u>Oct. 1/03</u>	 <u>Oct. 1/04</u>	 <u>Oct. 1/05</u>
1600 Ton Manual	25.45	25.55	25.65
2000 Ton Manual	25.69	25.79	25.89
2500 Ton Manual	25.86	25.96	26.06
3000 Ton Manual	26.40	26.50	26.60
4000 Ton Manual	27.04	27.14	27.24

The foregoing earnings include \$3.54 add-on, and incentive.

(b) Where a gas or oil fired furnace is used in the hammer shop, the parties agree to the following standard rates for hammersmiths working on jobs for which standards are established provided they make standard production:

21.01(b) Effective October 1, 2003

Hammers	<u>Oct. 1/03</u>	<u>Oct. 1/04</u>	<u>Oct. 1/05</u>
1500 Gravity	nia	nia	nia
2500 Gravity	nia	nia	n/a
3000 Gravity	nia	nia	nia
4000 Gravity	21.87	21.97	22.07
6000 Gravity	22.93	23.03	23.13
2000 Double Acting	22.45	22.55	22.65
4000 Double Acting	22.78	22.88	22.98
5000 Double Acting	23.07	23.17	23.27
4000 Hydraulic	21.87	21.97	22.07
3000 Die Forger	21.98	22.08	22.18

The foregoing earnings include \$3.54 add-on and incentive.

Production standards will be revised or established so that a qualified experienced hammersmith working at standard pace under usual and normal operating conditions will be able to earn the standard rate designated above. "Standard pace" is defined as "walking 3 miles per hour over smooth level ground without load". Accordingly, an experienced qualified operator may through extra effort and increased efficiency have an opportunity to earn above the standard rate when he works at a pace and level of effort above the standard pace provided sufficient work is available and the work flow can be maintained.

(c) Establishment and Revision of Standards

Each party will advise the other, in writing, of standards, (piece work rates) which it feels are not proper. When those jobs come up for production the Company will, as soon as practicable, time-study

them and establish the standard or rate and will also provide the Union with the rate and the supporting data. Upon the request of the Union, the Company and the Union will meet to discuss the data and the rate in order to resolve any difference and/or provide explanations. The Union will be represented at such meeting by the Union Representative, Shop Chairman or Chief Steward, the steward involved and one operator.

21.02 The following provisions apply to the administration of Schedules "A" and "B":

(a) The Company has the right to accelerate employees within the Schedule at its discretion.

(b) In placement in the range, the employee will receive credit for the greater of either:

(i) the length of time spent in the classification; or

(ii) fifty percent (50%) of the time spent in the Die Room.

(c) An employee who is promoted to a higher - paying classification will not have his rate reduced.

21.03 Payment of Objective Rates

Objective rates will be paid under the following conditions:

(a) experimental runs:

(b) Initial production runs on new parts until approved by the foreman for production;

(c) production runs which are not on Incentive;

(d) Die changes when such are not on Incentive.

All employees shall maintain normal effort while on objective rate.

21.04 Lead Hands

Lead Hands may be selected by the Company and their selection shall be primarily on considerations of general knowledge and of skills in the overall group which

they lead and their qualifications to provide leadership therein.

Selection of Lead Hands shall not be subject to the seniority provisions of this Agreement. If a Lead Hand is not proving satisfactory to the Company in this capacity, he can be discontinued in that capacity by the Company and such employee shall then revert to his or her former status. The Company may at any time in its discretion eliminate Lead Hands in any department. Lead Hands shall be paid thirty-five cents (35¢) per hour above the rate of the classification of which they are put in charge. Lead Hands do not have authority to impose discipline.

When a lead hand is assigned to oversee a work area, management will ensure that all steps and measures to protect the Health and Safety of employees have been taken prior to assigning the responsibilities to the lead hands.

Management will also ensure the worksite is operated and maintained in a healthy and safe manner and complies with all applicable legislation. Therefore, the lead hand will act as an assistant to a supervisor.

21.04A In the event of a lay-off from a department or grouping of departments in which there is a Lead Hand, an employee with seniority in such department or grouping of departments who has greater seniority than such Lead Hand will be permitted to displace such Lead Hand provided such senior employee is, in the judgment of the Company, qualified to perform all the functions of such Lead Hand.

The provisions of this Article 21.04A shall not apply in the case of a temporary lay-off as defined in Article 9.15(2)(b) hereof.

21.05 Set-Up Incentive

It is the intent of this Article to gain more time on production by offering hammer and press shop employees an incentive to reduce set-up times.

For purposes of this Article, the term "set-up" shall be defined as the time used to tear down an existing job and set up a new job to the point of first off approval. Set-up completion will be verified by sign off on the employee's time card by either the hot inspector or the shift foreman.

The following rates will be used to determine set-up pay under this Article:

21.05 Effective October 1, 2003

Hammershop		Oct. 1/03	Oct. 1/04	Oct. 1/05
<u>Unit</u>	<u>Hours</u>			
605	3.00	62.94	63.24	63.54
606	3.50	76.72	77.07	77.42
607	3.00	63.57	63.87	64.17
611	3.00	64.26	64.56	64.86
612	3.25	70.49	70.82	71.14
613	3.00	62.94	63.24	63.54
614	3.25	70.00	70.33	70.65

Press Shop

<u>Unit</u>	<u>Hours</u>			
701 (2pass)	2.00	41.26	41.46	41.66
(3 pass)	2.50	51.57	51.82	52.07
702 (2pass)	2.00	41.52	41.72	41.92
(3 pass)	2.50	51.90	52.15	52.40
703 (2pass)	2.25	46.96	47.18	47.41
(3 pass)	2.75	57.39	57.67	57.94
704 (2pass)	2.50	52.45	52.70	52.95
(3 pass)	3.00	62.94	63.24	63.54
705 (2 pass)	---	---	---	---
(3 pass)	---	---	---	---

Incentive employees will be paid on a flat rate pay basis in accordance with the foregoing schedule for a complete set-up and will be guaranteed to earn no less than objective rate in any instance.

In cases where a set-up occurs over a shift change, the actual time used by each respective crew will be pro-rated against the flat rate pay for pay purposes.

If a crew fails to make set-up, as defined herein, within the designated time, set-up incentive will not be paid except in the following two situations only:

(1) in cases where a set-up has been carried to the stage of seeking first-off approval and such approval is not given because of a dimensional problem in the forge die for which the inspection cast has been checked and approved by a tool & die inspector, where such dimensional problem is beyond the operators' control, or

(2) there is no raw material ready for production.

In either of the foregoing two situations the operators will be paid the set-up incentive provided their time cards are approved by sign-off of the Plant Manager.

The foregoing times and rates cover existing methods of set-up presently being used by operators. If improvements are made, e.g., quick change bolsters, the parties will meet to discuss times and rates.

The foregoing applies to a set-up consisting of forge dies and trimmer with a three-man crew. In cases of a smaller crew or abnormal set-ups (i.e., bulldozer, upsetter, 2nd press or square dies in the forge presses), objective rates will be applicable.

NOTE: Set-up incentive rates, referred to above will be adjusted to reflect wage increases and COLA fold-ins referred to herein.

ARTICLE 22 - COST OF LIVING ALLOWANCE

22.01 The Cost of Living Allowance base will be established on the Consumer Price Index (C.P.I.) (1986=100) as published by Statistics Canada. In accordance with Article 22.03 hereof, a Cost of Living Allowance will be paid for each hour worked and will be adjusted up or down in accordance with the Consumer Price Index (hereinafter referred to as C.P.I.) published by Statistics Canada.

There shall be an adjustment of one cent (1¢) per hour for each .107 increase in the C.P.I.

22.02 There shall be no adjustment in the Cost of Living Allowance below the Index of October 1, 1968.

22.03 Adjustment will be made for the first pay period of the month at three (3) month intervals starting November 2003, by comparing increase from July 2003 C.P.I. to October 2003 C.P.I. following the release of October 2003 C.P.I. Thereafter, payments will be made as follows:

<u>Compare</u>	<u>With</u>	<u>Payable</u>
July 2003	October 2003	November 2003
October 2003	January 2004	February 2004
January 2004	April 2004	May 2004
April 2004	July 2004	August 2004
July 2004	October 2004	November 2004
October 2004	January 2005	February 2005
January 2005	April 2005	May 2005
April 2005	July 2005	August 2005
July 2005	October 2005	November 2005
October 2005	January 2006	February 2006
January 2006	April 2006	May 2006
April 2006	July 2006	August 2006

22.04 The Cost of Living add-on will be a straight-time add-on for each hour worked and will not be included in overtime computation except in accordance with the following:

(a) Effective October 1, 2004 Cost of Living add-on will be added to pay rates and objective rates and integrated into the piecework rates (piecework add-on remains \$3.54 per hour).

(b) Effective October 1, 2005 Cost of Living add-on will be added to pay rates and objective rates and integrated into the piecework rates (piecework add-on remains \$3.54 per hour).

ARTICLE 23 - JURY DUTY

23.01 Each seniority employee who is summoned to and reports for jury duty, as prescribed by applicable law (subject to the eligibility requirements set out below), shall be paid by the Company the difference between the employee's regular base rate exclusive of premiums for the number of hours up to eight (8) that he otherwise would have been scheduled to work and the daily jury duty fee paid by the Court (not including travelling allowance or reimbursement of expenses). The Company's obligation to pay an employee for jury duty under this Section is limited to a maximum of sixty (60) days in any calendar year, and in order to receive payment under this Section, an employee must meet all of the following eligibility requirements:

- (a) the employee shall have given twenty-four (24) hours' notice to the Company that he has been summoned for jury duty;
- (b) the employee shall furnish satisfactory evidence to the Plant Manager that he reported for and performed jury duty on the days for which he claims payment and shall furnish acceptable proof of the amount of jury pay received by him;
- (c) the employee would otherwise have been scheduled to work for the Company on the day or days for which he claims payment.

NOTE: Effective November 11, 1994, Article 23.01, in its entirety, also applies to an employee who is subpoenaed as a witness for the Crown.

ARTICLE 24 - GENERAL

24.01 Employees' pay cheques will be in envelopes.

24.02 The Company will supply a printed booklet of the Collective Agreement to all employees and to the Union office.

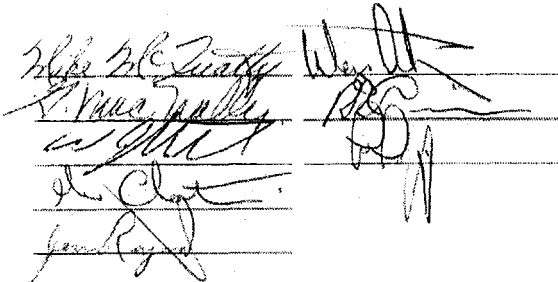
ARTICLE 25 - DURATION

25.01 The Agreement shall be the entire one between the parties and shall be effective from the 1st day of October, 2003 and shall continue in full force and effect until midnight the 30th day of September, 2006, and for annual periods thereafter, unless written notice to either party is given by the other party not less than thirty (30) days nor more than sixty (60) days immediately prior to the expiration date or the anniversary date of such expiration that it is desired to amend or negotiate the Agreement. This Agreement shall continue in full force and effect until all negotiations have been concluded.

EXECUTED AT WELLAND, ONTARIO THIS 4th DAY OF December, 2003.

NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL
WORKERS UNION OF CANADA
(CAW-CANADA) and its LOCAL 523

WELLAND FORGE, A DIVISION
OF FKI INDUSTRIES CANADA LIMITED

The block contains several handwritten signatures. On the left side, there are four distinct signatures, each written over a horizontal line. On the right side, there are two larger, more complex signatures, also written over horizontal lines. The signatures are in dark ink and appear to be cursive or stylized.

SCHEDULE "A"

TOOL AND DIE

EFFECTIVE OCTOBER 1, 2003

Classification	Start	1 Years	2 Years	3 Years	4 Years	5 Years
Toolmaker 1st Class	\$22.26	22.64	22.96	23.28	23.61	24.22
Toolmaker 2nd Class	21.99	22.31	22.62	22.93	23.29	23.55
Toolmaker 3rd Class	21.41	21.72	22.04	22.35	22.71	22.97
Toolmaker 4th Class	21.04	21.35	21.66	21.97	22.34	22.60

SCHEDULE "B"

MAINTENANCE

EFFECTIVE OCTOBER 1, 2003

Classification	Start	1 Year	2 Years	3 Years	4 Years	5 Years
Compressor Operator	\$21.66	21.88	22.09	22.31	22.52	22.70
Towmotor Mechanic	21.66	21.88	22.09	22.31	22.52	22.70
Die Welder	22.02	22.22	22.44	22.66	22.87	23.08
Millwright	21.81	22.02	22.23	22.45	22.66	22.87
Electrical Mechanic	21.23	22.44	22.67	22.88	23.09	23.28
Machinist Mechanic	22.35	22.57	22.79	22.99	23.21	23.45
Electrician Technician					-	23.87
Machinist Technician					-	23.87
Electrical Technologist						26.27
Machine Technologist					-	25.92

SCHEDULE "C"

HAMMER SHOP AND PRESS SHOP **EFFECTIVE OCTOBER 1, 2003**

Classification	Ind. Inc. Rate'	Gas Inc. Rate'	Obj. Rate	Day Rate
3000 Hammersmith Die Forger Heater ---- Trimmer	\$26 81 82%	\$21.98 86% 76%	\$21 19 20 54 20 47	\$20 61 19.96 19.96
4000 Hammersmith Hydraulic Heater ---- Trimmer	\$26 54 82%	\$21.87 86% 76%	\$20 98 20 29 20 03	\$20 34 19.96 19.96
6000 Hammersmith Gravity Heater ---- Trimmer	\$27 34 82%	\$22.08 86% 76%	\$21 54 20 77 20 67	\$20 94 20.55 20.55
4000 Hammersmith Gravity Heater ---- Trimmer	\$26 54	\$21.87 86% 76%	\$20 98 20 29 20 03	\$20 34 19.96 19.96
2000 Hammersmith Double Acting Heater ---- Trimmer	\$27.11 82%	\$22.45 86% 76%	\$21 42 20 67 20 63	\$20 91 20.55 20.55
4000 Hammersmith Double Acting Heater ---- Trimmer	\$27 63 82%	\$22.78 86% 76%	\$21 69 20.93 20 70	\$20.99 20.55 20.55
5000 Hammersmith Double Acting Heater ---- Trimmer	\$28 40 82%	\$23.07 86% 76%	\$21 92 21 13 20 74	\$21 03 20.55 20.55
1600 Press Operator (Manual)	\$25 45	-----	\$20 63	\$20 17
2000 Press Operator (Manual)	25 69	-----	20 76	20.22
2500 Press Operator (Manual)	25.86	-----	20 87	20.29
3000 Press Operator (Manual)	26 40	-----	20 98	20.34
4000 Press Operator (Manual)	27 04	-----	21 19	20.50

* The foregoing induction incentive and gas incentive rates include
\$3.54 add-on and incentive.

2000 Auto Technician	\$24.79	-----	-----	22.52
2000 Assistant Technician	\$22.95	-----	-----	\$21.02

SCHEDULE "C" - Continued- Page 2

Classification	Day Rate
Storekeeper	\$20.31
Cold Press Operator	20.07
Truck Driver	20.07
Die Storage	20.07
Advance Shear Operator	22.32
Shear Operator	20.70
Saw/Shear/Inspect Operator	22.32
Shear/Yard Lead Hand (Incl.35¢L.H.)	23.02
Sandblast Operator	20.07
Cold Inspection	20.07
Shipper	22.32
Lift Truck Operator	20.07
Bricklayer	20.76
Labourer	19.96
Oiler	20.07
Magnaglo Operator	20.36
Janitor	19.96
Hydraulic Drill Operator	20.07

SCHEDULE "A-1"

TOOL AND DIE

EFFECTIVE OCTOBER 1, 2004

Classification	Start	1 Year	2 Years	3 Years	4 Years	5 Years
Toolmaker 1st Class	\$22.36	22.74	23.06	23.38	23.71	24.32
Toolmaker 2nd Class	22.09	22.41	22.72	23.03	23.39	23.65
Toolmaker 3rd Class	21.51	21.82	22.14	22.45	22.81	23.07
Toolmaker 4th Class	21.14	21.45	21.76	22.07	22.44	22.70

SCHEDULE "B-1"

MAINTENANCE

EFFECTIVE OCTOBER 1, 2004

Classification	start	1 Year	2 Years	3 Years	4 Years	5 Years
Compressor Operator	\$21.76	21.98	22.10	22.41	22.62	22.80
Towmotor Mechanic	21.76	21.98	22.10	22.41	22.62	22.80
Die Welder	22.12	22.32	22.54	22.76	22.97	23.18
Millwright	21.91	22.12	22.33	22.55	22.76	22.97
Electrical Mechanic	22.33	22.54	22.77	22.98	23.19	23.38
Machinist Mechanic	22.45	22.67	22.89	23.09	23.31	23.55
Electrician Technician					-	23.97
Machinist Technician					-	23.97
Electrical Technologist					-	26.37
Machine Technologist					-	26.02

SCHEDULE "C-1"

HAMMER SHOP AND PRESS SHOP **EFFECTIVE OCTOBER 1, 2004**

Classification	Ind Inc Rate*	Gas Inc Rate*	Obj Rate	Day Rate
3000 Hammersmith Die Forger	\$26.91	\$22.08	\$21.29	\$20.71
Healer -----		86%	20.64	20.06
Trimmer	82%	76%	20.57	20.06
4000 Hammersmith Hydraulic	\$26.64	21.97	21.08	20.44
Healer -----		86%	20.39	20.06
Trimmer	82%	76%	20.13	20.06
6000 Hammersmith Gravity	\$27.44	22.18	21.64	21.04
Healer -----		86%	20.87	20.65
Trimmer	82%	76%	20.77	20.65
4000 Hammersmith Gravity	\$26.64	21.97	21.08	20.44
Healer -----		86%	20.39	20.06
Trimmer	82%	76%	20.13	20.06
2000 Hammersmith Double Acting	\$27.21	22.55	21.52	21.01
Healer -----		86%	20.77	20.65
Trimmer	82%	76%	20.73	20.65
4000 Hammersmith Double Acting	\$27.73	22.88	21.79	21.09
Healer -----		86%	21.03	20.65
Trimmer	82%	76%	20.80	20.65
5000 Hammersmith Double Acting	\$28.50	23.17	22.02	21.13
Healer -----		86%	21.23	20.65
Trimmer	82%	76%	20.84	20.65
1600 Press Operator (Manual)	\$25.55	-----	\$ 20.73	\$20.27
2000 Press Operator (Manual)	25.79	-----	20.86	20.32
2500 Press Operator (Manual)	25.96	-----	20.97	20.39
3000 Press Operator (Manual)	26.50	-----	21.05	20.44
4000 Press Operator (Manual)	27.14	-----	21.29	20.60

* The foregoing induction incentive and gas incentive rates include \$3.54 add-on and incentive.

2000 Auto Technician	\$24.89	-----	-----	\$22.62
2000 Assistant Technician	\$23.05	-----	-----	\$21.12

SCHEDULE " - " - tinued - Page 2

Classification	Day Rate
Storekeeper	\$20.41
Cold Press Operator	20.17
Truck Driver	20.17
Die Storage	20.17
Advance Shear Operator	22.42
Shear Operator	20.80
Saw/Shear/Inspect Operator	22.42
Shear/Yard Lead Hand (Incl. 35¢L.H.)	23.12
Sandblast Operator	20.17
Cold Inspection	20.17
Shipper	22.42
Lift Truck Operator	20.17
Bricklayer	20.86
Labourer	20.06
Oiler	20.17
Magnaglo Operator	20.46
Janitor	20.06
Hydraulic Drill Operator	20.17

SCHEDULE "A-2"

TOOL AND DIE

EFFECTIVE OCTOBER 1, 2005

Classification	Start	1 Year	2 Years	3 Years	4 Years	5 Years
Toolmaker 1st Class	\$22.46	\$22.84	\$23.16	\$23.48	\$23.81	\$24.42
Toolmaker 2nd Class	22.19	22.51	22.82	23.13	23.49	23.75
Toolmaker 3rd Class	21.61	21.92	22.24	22.55	22.91	23.17
Toolmaker 4th Class	21.24	21.55	21.86	22.17	22.54	22.80

SCHEDULE "B-2"

MAINTENANCE

EFFECTIVE OCTOBER 1, 2005

Classification	Start	1 Year	2 Years	3 Years	4 Years	5 Years
Compressor Operator	\$21.86	\$22.08	\$22.20	\$22.51	\$22.72	\$22.90
Towmotor Mechanic	21.86	22.08	22.20	22.51	22.72	22.90
Die Welder	22.22	22.42	22.64	22.86	23.07	23.28
Millwright	22.01	22.22	22.43	22.65	22.86	23.07
Electrical Mechanic	22.43	22.64	22.87	23.08	23.29	23.48
Machinist Mechanic	22.55	22.77	22.99	23.10	23.41	23.65
Electrician Technician						24.07
Machinist Technician					-	24.07
Electrical Technologist						26.47
Machine Technologist					-	26.12

SCHEDULE "C-2"

HAMMER SHOP AND PRESS SHOP

EFFECTIVE OCTOBER 1, 2005

Classification	Ind Inc. Rate ¹	Gas Inc Rate ¹	Obj Rate	Day Rate
3000 HammersmithDie Forge	\$27.01	\$22.18	\$21.39	\$20.81
Heater		86%	20.74	2016
Trimmer	82%	76%	20.67	2016
4000 HammersmithHydraulic	\$26.74	22.07	21.18	20.54
Heater		86%	20.49	2016
Trimmer	82%	76%	20.23	2016
6000 HammersmithGravity	\$27.54	\$22.28	\$21.74	\$21.14
Heater		86%	20.97	2075
Trimmer	82%	76%	20.87	2075
4000 HammersmithGravity	\$26.74	\$22.07	\$21.18	\$20.54
Heater		86%	20.49	2016
Trimmer	82%	76%	20.23	2016
2000 HammersmithDouble Acting	\$27.31	\$22.65	\$21.62	\$21.11
Heater		86%	20.87	2075
Trimmer	82%	76%	20.83	2075
4000 HammersmithDouble Acting	\$27.83	\$22.98	\$21.89	\$21.19
Heater		86%	21.13	2075
Trimmer	82%	76%	20.90	2075
5000 HammersmithDouble Acting	\$28.60	\$23.27	\$22.12	\$21.23
Heater		86%	21.33	2075
Trimmer	82%	76%	20.94	2075
1600 Press Operator (Manual)	\$25.65	.....	\$20.83	\$20.37
2000 Press Operator (Manual)	25.89	.....	20.96	20.42
2500 Press Operator (Manual)	26.06	.....	21.07	20.49
3000 Press Operator (Manual)	26.60	.....	21.18	20.54
4000 Press Operator (Manual)	27.24	.....	21.39	20.70

¹The foregoing induction incentive and gas incentive rates include \$3.54 add-on and incentive

2000 Auto Technician	\$24.99	.....	.....	\$22.72
2000 Assistant Technician	\$23.15	.....	.....	\$21.22

SCHEDULE "C-2" - Continued - Page 2

Classification	Day Rate
Storekeeper	\$20.51
Cold Press Operator	20.27
Truck Driver	20.27
Die Storage	20.27
Advance Shear Operator	22.52
Shear Operator	20.90
Saw/Shear/Inspect Operator	22.52
Shear/Yard Lead Hand (Incl. 35¢ L.H.)	23.22
Sandblast Operator	20.27
Cold Inspection	20.27
Shipper	22.52
Lift Truck Operator	20.27
Bricklayer	20.96
Labourer	20.16
Oiler	20.27
Magnaglo Operator	20.56
Janitor	20.16
Hydraulic Drill Operator	20.27

September 19, 1991

United Electrical, Radio and Machine
Workers of Canada (UE) and **Its** Local 523
16 Steel Street,
Welland, Ontario
L3B 3L9

Attention Mr. Gary Cook,
Business Agent

Dear Mr. Cook:

This letter will confirm our advise and notification to the Union at our negotiation meeting on Tuesday, September 3, 1991 to the following effect.

The Company stated that the Company wanted to put the Union on notice that past practice under which scrap or product that had to be reworked was counted for incentive earnings purposes would not be continued under the new Collective Agreement. Under the new Collective Agreement the operator or crew that produces scrap or product that has to be reworked will not receive credit for such scrap or product to be reworked unless prior approval has been given by the foreman or supervisor in accordance with the provisions of the Company's Quality Assurance Manual.

Members of the Bargaining Committee stated that they have a copy of the Quality Assurance Manual.

Yours truly,

J. V. Custode
V.P./General Manager
Welland Forge

LETTER OF AGREEMENT RE: ARTICLE 11.06(a)

During 1994 negotiations, overtime distribution and the application of Article 11.06(a) was discussed. The Union raised a number of concerns which included; general allocation procedures, allocation for shift work, steady day work and lead hands, charging practices for hours not worked, recording procedures and the lack of uniformity between various Departments.

During the 1997 negotiations, in order to address these concerns, the Union and Company agree to the following procedures:

- (1) All overtime hours worked or refused by employees will be recorded on an overtime list which will be updated and posted in departments on a weekly basis.
- (2) Employees absent due to illness, injury, vacation, leave of absence or layoff will be charged the average overtime hours worked in their classification for the period of such absence upon their return to work.
- (3) Overtime hours recorded on the list will be brought to zero (0) on January 1st and July 1st of each year.

Upon request, the Company agrees to hold regular meetings with shop Union representatives to review the overtime distribution procedure and upon reaching mutual agreement, make any adjustments necessary to improve the application of this Article.

LETTER OF AGREEMENT **RE: ARTICLE 11.06 (b) - (c) - (d)**

The Company and Union agree, that the mandatory overtime provisions under Article 11 - Hours Of Work And Overtime will not be applied so as to require production employees to work more than eight (8) hours in a day. The provisions of this Letter will not apply to employees in any Maintenance/Tool and Die Classification.

LETTER OF AGREEMENT
RE: ARTICLE 21.04 LEAD HANDS

During 1994 negotiations the subject of Lead Hands was discussed. The Union recognizes that the use of Lead Hands in various areas of the plant has been of mutual benefit and the Company recognizes that the Union has raised legitimate concerns regarding the use of Lead Hands which include; overtime distribution, retention out of seniority during layoffs, the number of Lead Hands, the size of the group led and the definition of duties.

Upon the request of the Union, a meeting will be held where the Company will discuss and endeavour to resolve the legitimate concerns raised by the Union regarding the use of Lead Hands.

LETTER OF AGREEMENT RE: LAY-OFFS

In the event of a temporary lay-off of known duration, the Company and Union will meet to discuss the order in which lay-offs occur. In cases of mutual agreement, a higher seniority employee may agree to take the lay-off. It is understood that the maximum duration of such lay-off is twelve (12) weeks and that employees must notify management at least two weeks in advance in order to be considered. Employees scheduled to be laid off in accordance with the provisions of this letter may only cancel such lay-off by providing a minimum of one week's notice.

LETTER OF AGREEMENT
RE: REDUCED INCENTIVE CREWS

The Company and Union recognize that daily unscheduled absence by employees scheduled to work as members of an incentive crew (press and hammer) could have a negative effect on timely production and delivery of products to customers and on the earning potential of incentive crew members.

The Union and Company agree that, when necessary and only under the above mentioned circumstances, the reduced press or hammer crew may be required to operate at a reduced **(74.7%)** level of operation. It is understood that this reduced operation will be restricted to the crew affected by the unscheduled daily absence, except in cases where heavy jobs are being run.

Both parties agree that the application of this letter of understanding will cover daily unscheduled absenteeism only. In instances where such absenteeism is for a longer period, the Company will make every effort to fill the vacancy provided it is aware of its duration.

The Company further recognizes that the Union may have legitimate concerns regarding the reduced level of operations and agrees to meet with the Union upon request to discuss any difficulties in the application of this letter.

LETTER OF AGREEMENT RE: TOOL AND DIE SHOP

At present, the Tool & Die Department is comprised of both Class 1 and Class 2 employees.

The Company recognizes that each of the current Tool and Die employees offer different levels of education, skills, and experience in the various essential functions that are required for the Tool and Die job classifications, as above.

In the event of a lay-off from the current levels, the Company will endeavor, as far as is practical, to lay-off employees in order of their Plant Seniority.

Should it not be practical to lay-off employees in order of seniority, the Company will give every opportunity for senior affected employees to become skilled and competent through prescribed training to remain in the Tool and Die Department, should they so choose.

This letter of agreement does not apply in the event of a lay-off under article 9.15(b) of the Collective Agreement.

In the event there are lay-offs in the Tool and Die Department from the current levels, the Company agrees to consider if any tooling and dies being supplied by outside sources can be produced by Welland Forge Tool and Die Department employees who would otherwise be laid off.

Should any difficulties arise in the application of this letter of Agreement, both parties agree to meet and resolve the issue by mutual agreement in advance of the effective date of the lay-off.

PARTIAL OR TOTAL PLANT CLOSURE

When a permanent or partial plant closure is foreseen, the Company will endeavour to give as much advance notice as possible in order for the Union Committee and the Employer to meet and discuss the effects of such closure. The parties will also meet to discuss the implementation of a Labor Adjustment Committee and to obtain the appropriate funding from the provincial and federal governments.

Any employee terminated as a result of permanent partial or total plant closure of operations as outlined above will be provided with the following allowances and benefits:

1. Insurance benefits provided in this Agreement (with the exception of Weekly Indemnity and Life Conversion) to continue in full for one (1) year.
2. All employees will be paid one and a half (1.5) weeks regular pay as of the date of closing for each year of service. Should the employee elect to do so a lump sum payment will be rolled immediately into a tax-free R.R.S.P. subject to tax laws in effect at the time of closure. At the company's discretion, the balance if any would be paid in a lump sum payment or paid weekly until exhausted.
3. Any member on W.S.I.B. or Weekly Indemnity will be entitled to severance when deemed medically fit to return to regular work or benefits are ceased for a period not to exceed twenty four (24) months from the date of closure.

The Company agrees to retain all employees' records for a minimum of seven (7) years.

It is agreed that the payment referred to herein shall satisfy any and all obligations the employer has under the Employment Standard Act to provide severance pay.

LETTER OF AGREEMENT RE: Article 16.03

The Company will make every effort to accommodate employees who wish to schedule their vacation outside of the summer shutdown period by allowing them to perform available work including work which may have been intended for students.

LETTER OF AGREEMENT RE: SUBSTANCE ABUSE

Substance abuse is recognized to be a serious medical and social problem that can affect employees. The Company and Union have a strong interest in encouraging early treatment and full rehabilitation.

The Company will provide a comprehensive approach towards dealing with substance abuse and its related problems including cooperation in referral to appropriate OHIP covered counselling services or treatment and rehabilitation facilities. The Company will maintain welfare benefits for employees attending prescribed courses of treatment.

Employees who withdraw from a prescribed course of treatment prematurely may be subject to disciplinary action if their attendance or ability to perform work is adversely affected by continuing substance abuse related problems.

Welland Forge

139 Centre Street
P.O. Box 216
Welland, Ontario L3B 5P4
Telephone (905) 732-7536
Facsimile (905) 732-2204

U.S. Mail
P.O. Box 216, Ellicott St.
Buffalo, N.Y. 14205-0216

LETTER OF UNDERSTANDING - PERMANENTLY DISABLED EMPLOYEE

Reference - CAW Letter April 10, 2002
Company/Union Meeting April 29, 2002

The Company and the Union recognize that a procedure is required to identify and accommodate, where possible, disabled hourly employees who are no longer capable of permanently performing the essential duties of their regular job classification.

A 'disabled employee' is defined as an employee who has a prescribed medical condition which permanently prevents the regular and sustained performance of their regular job classification. To be considered a 'disabled employee', the onus is on the employee to provide the Company with a list of permanent medical restrictions from their treating Specialist. The medical restrictions will be reviewed in terms of the essential requirements of their regular job classification and, if needed, will be reviewed and renewed annually. Payment for such medical information will be reimbursed as per Article 9.10 of the Collective Agreement.

In the event that all reasonable attempts to rehabilitate an employee to remain within their regular job classification fail and, subject to medical authorization, as above, the 'disabled employee' will be allowed to exercise seniority within the guidelines of Article 9.14A of the Collective Agreement in the following manner:

- displace the most junior Plant employee in the job classification within the 'disabled employee's' seniority, skill and qualifications and permanent medical restrictions

Signed at Windsor, Ontario this 24th day of June, 2002,

For the Company

For the Company

For the Union

For the Union

PART OF THE  FKI GROUP OF COMPANIES

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