

NAVISTAR INTERNATIONAL CORPORATION CANADA

CAW, LOCAL 127

***Agreement***  
**CHATHAM PLANT**

1 THIS AGREEMENT, made and entered into this **1st day of June 2002** by and between the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW CANADA) and its Local 127, hereinafter referred to as the "Union" and the Chatham Plant of Navistar International Corporation Canada, hereinafter referred to as the "Company".

WITNESSETH: That the parties hereto have agreed as follows:

**ARTICLE 1 – SCOPE & PURPOSE OF AGREEMENT**

2 1.01 It is agreed and understood between the Union and the Company that this Agreement is limited to and embraces only such matters as are specifically set forth in the Agreement, such as are rates of pay, wages hours of employment, and other conditions of employment and that all other matters shall be subject to further negotiations. The general purpose of this Agreement is to maintain harmonious relations between the parties and to facilitate orderly adjustments of grievances, complaints and disputes between the Company and the Union. This Agreement is entered into in consideration of the mutual performance thereof in good faith by the parties.

**ARTICLE 2 - RECOGNITION**

3 2.01 The Ontario Labour Relations Board having held a collective bargaining election on June 21, 1994, and having certified as a result the Union is the duly authorized representative of the majority of the employees in the Union hereinafter referred to the Company recognizes the Union as the sole representative of all employees in such unit (as hereinafter defined) for the purpose of collective bargaining, provided that nothing in this Agreement contained shall be deemed to take away the right of any individual employee to present any of his/her personal complaints to his/her Supervisor.

4 2.02 (a) The Company recognizes and will not interfere with the right of its employees to become members of the Union, and will not discriminate against, interfere with, restrain or coerce employees because of membership in the Union. The Union agrees not to intimidate or coerce employees into membership and also not to solicit membership or collect dues on Company time.

5 (b) The Company shall take appropriate disciplinary action including discharge in any case of an employee who on Company time carries on anti-union activity or who on Company time seeks, directly or indirectly, to interfere with the status, membership or responsibilities of the certified Union.

6 2.03 The unit recognized as appropriate for purposes of collective bargaining and represented by the Union is as follows:

All of the employees of the Navistar International Corporation Canada, employed at its Chatham Plant, except:

- 7 1. Salaried employees
2. Factory and office clerical employees
3. Plant Protection employees.

### ARTICLE 3 – REPRESENTATION

- 8 3.01 The Union Committee will be made up of: Plant Chairperson and five (5) 1<sup>st</sup> shift Committeepersons and one (1) 2<sup>nd</sup> shift Committeeperson and one (1) 3<sup>rd</sup> shift Committeeperson
- 9 In addition the Union shall designate four (4) Zones to be represented by four (4) day shift Stewards.
- 10 Designated Plant Committeepersons will work on the day shift, except for the 2<sup>nd</sup> shift Committeeperson who will work on the second shift and a 3<sup>rd</sup> shift Committeeperson who will work on the 3<sup>rd</sup> shift and be afforded time off as may be required.
- 11 On the second and third shifts the Union shall designate one (1) additional Plant Steward at the following population levels: greater than 100, 175, 250, 400, 550. One skilled trades employee will be designated on each of the Day, Afternoon, Midnight, Weekend Day and Weekend Night for the sole purpose of representing the skilled trades employees on these shifts. The Company will recognize a Committeeperson on the 2<sup>nd</sup> shift who will be assigned to a department but will represent all workers on that shift, except Skilled Trades. All plant Stewards shall function in the first and second step of the grievance procedure except as otherwise provided for in Art. 4, Sec. 4.01. If a Steward is unable to resolve the problem with the appropriate Supervisor the matter will be referred to the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> shift Committeeperson who will, if necessary, proceed with the grievance through the grievance procedure.
- 12 The Union Shop Bargaining Committee shall consist of the Plant Chairperson, and all Plant Committeepersons. A Union Safety representative may be called to discuss safety issues.
- 13 The Plant Grievance Committee will consist of the Plant Chairperson and four (4) day shift Committee-persons. The Skilled Trades Committeeperson, Second Shift Committeeperson, **Third Shift Committeeperson**, and/or the Union Safety Representative may be called to discuss issues that pertain to their areas of representation.
- 14 When a Committeeperson is absent for purposes other than training, a Zone Steward will act as the Committeeperson's alternate and assume the functions of both duties. When a Committeeperson is absent for training one (1) day or less, either on or off-site, a zone Steward will act as the Committeeperson alternate and assume the functions of both duties. For training of more than one (1) day, the area alternate Steward will replace the zone Steward.
- 15 In the event the Zone Steward is acting Committeeperson for four (4) consecutive hours or more, the Zone Steward's function may be assumed by an Alternate Steward, as designated by the union, excepting that in the case where the Committeeperson's absence is due to a vacation of one (1) week or more the Zone Steward may then be

replaced by the Alternative Steward immediately.

- 16 The Union will inform the Company in writing of the identity of the Committeepersons and Stewards; and the department or group of departments and shifts which each represents. The Union will provide the Manager of Human Resources or his/her designee with an updated list of Committeepersons and Stewards every six (6) months. This list will also designate the departments, and shifts they represent and also the committees they are on. No one shall be eligible to serve as a Union Committeeperson, Steward or shop bargaining Committeeperson unless he/she is an employee of the Company nor until his/her name has been placed on the Plant Wide seniority list. The Company will recognize and negotiate with said Committeeperson, Stewards, and Shop Grievance Committee with respect to the adjustment of grievances.
- 17 3.02 The Company will provide prior written notification to the Chairperson of newly appointed Plant Supervisors and the department(s) they will supervise.
- 18 3.03 Committeepersons and designated Local Union officers shall be permitted to leave the Plant on Union business during working hours upon request, provided they obtain standard gate passes from their Supervisors before they leave the Plant. It is understood that this time is not to be paid for by the Company. In addition, upon written request of the Local Union given to the Plant Human Resources Manager or designated representative as far in advance as possible but in no event later than the day prior to the requested absence, this Section shall be applicable to designated employee members of special Local Union Committees, provided that not more than twelve (12) of such employees shall be permitted to be absent from the Plant under this section at the same time and further provided that the notice shall specify the duration of the absence, which shall not be less than the first half or the second half of the employee's shift. The Local Union Election Committee will be excused upon request under the same terms applicable to special Local Union Committees and members of such Election Committee will be included in determining the fifteen (15) employee limit which is in effect when the Election Committee must be excused.
- 19 3.04 Time spent by Union representatives in negotiating labour contracts with Management, attending meetings with Management or otherwise carrying on the duties of Union representatives as agreed to by the parties, will be counted as time worked in computing all service and attendance records, excepting that those given leave of absence to perform duties as International representatives shall not receive attendance credits for vacation eligibility during such absence.
- 20 3.05 No Local Union Committeeperson or member of the Local Union Executive Board may be appointed to any position outside the bargaining unit until at least six (6) months after the expiration of his/her term of office, without the consent of the Local Union.

#### **ARTICLE 4 - GRIEVANCE PROCEDURE**

- 21 4.01 Both the Company and the Union agree that avoiding unnecessary grievances and the handling of oral grievances is dependent on the understanding and the combined co-operation of management and Union Representatives.
- 22 Should disputes arise between the Company and the Union or employees as to the

meaning and application of the provisions of this Agreement, or as to the compliance of either party with any of its obligations under this Agreement or should there be any complaint or grievance by any employee of the bargaining unit or the Company, there shall be no written grievance until an earnest effort has been made to discuss and resolve the grievance between the affected parties.

- 23 First, between the employee affected and the departmental Department Head, with the assistance of the area Union representative and any appropriate principles of the disputes unless the employee declines such assistance. The Company will recognize duly appointed alternate representatives provided that the alternates' names are on the list of alternates. Such list will be provided by the Union and will be updated by the Union from time to time by written notice to the Company.
- 24 Such a meeting will take place within three (3) working days from the time the Union representative requests the meeting with the Department Head. The Departmental Superintendent shall respond giving his/her verbal disposition to the dispute within twenty-four (24) hours from the time of this meeting. Any resolution attained at this meeting will be without prejudice or precedent to either party. If the dispute is still unresolved, a formal grievance will be written and submitted to the first step of the procedure. Upon receipt of such grievance, the Superintendent must sign and date the grievance in the presence of the Union Committeeperson.
- 25 Prior to any written grievances being accepted into the second step of the procedure, the above meeting must have taken place, the grievance must be signed by the superintendent, and all relevant facts documented by the involved parties.
- 26 Second, between the area Union Committeeperson and area steward or 2<sup>nd</sup> or 3<sup>rd</sup> Shift Committeeperson, the Chairperson of the Plant Grievance Committee and a Management Committee of up to three (3) people including the Human Resources Manager. These second step grievance meetings shall be conducted twice (2) per month with no more than one (1) meeting per week, unless otherwise mutually agreed to. By mutual consent between the Labour Relations Manager, the Plant Chairperson and the Department Head, the employee involved may be included among those participating in the meeting. In cases of discipline the employee will be involved at the discretion of the employee and the Union.
- 27 Policy grievances will be submitted at this step of the grievance procedure. It is understood that Union policy grievances are limited to such areas as the claim of incorrect interpretation or administration of the Agreement or other action, which may affect the collective interests of the bargaining unit.
- 28 Third, when a grievance, which alleges a violation or misinterpretation of this Agreement has not been settled at step two, or when there is a question of the arbitrability of an issue, either party may move the grievance or the question to arbitration.
- 29 Notice of appeal to arbitration, must be given by the moving party to the other within thirty (30) calendar days from receipt of the written answer at step two.
- 30 Grievances appealed to arbitration will be presented to the mutually agreed upon arbitrators hereinafter described who will act in rotation in the order that their names

appear.

- 31 The following constitutes the list and rotation of the arbitrators:
1. G. Brandt
  2. W. Rayner
  3. **M. Watters**
- 32 If, in the regular rotation, an arbitrator is unable to specify a date for the arbitration hearing within a reasonable period of time from the date the grievance is submitted to him/her, the parties may agree to request another arbitrator in rotation to provide such a date.
- 33 When arbitration deals with work quotas or time standards, it will not be subject to the regular rotation of arbitration. For such grievances the parties will endeavour to agree on an arbitrator who must be qualified by training to deal with such matters. Failing agreement by the parties on an acceptable arbitrator within ten (10) calendar days of the receipt of the notice, the parties shall request the Ontario Arbitration Commission to appoint an arbitrator who is technically qualified.
- 34 The arbitrator shall not have any jurisdiction to change any of the provisions of this Agreement or to add any new provisions to it or give any decisions inconsistent with it. He/she shall, however, in respect to a grievance involving a suspension or discharge, be entitled to modify or set aside such penalty, if in the opinion of the arbitrator, it is just and equitable to do so.
- 35 A claim that either the Company or the Union has violated some provision of this contract or failed to perform some obligation assumed under this Contract, is an "arbitrable grievance" within the meaning of this Contract.
- 36 The parties to the grievance shall be bound by the decision of the arbitrator.
- 37 The decision on grievances, which have been referred to arbitration will be rendered within thirty (30) days following the date of the arbitration hearing.
- 38 The Union and the Company shall each be responsible for one-half of the expenses of the fee payable to the arbitrator. Union representatives who are needed by the Union in the presentation of their cases and employees who are to appear as witnesses for the Union will be excused from work without pay to attend a hearing upon written request by the Union.
- 39 The Company or Union shall be under no obligation to consider or process any grievance unless such grievance has been presented in writing within forty-five (45) days from the time the circumstances on which the grievance is based, were known to the employee(s) presenting the grievance.
- 40 All grievances regarding job notifications must be filed within five (5) working days from the time that the successful job applicant is selected, except in cases where a job bidder is absent with authorization, the grievance must be filed within five (5) working days of his/her return to work or 45 days from the time that the successful job applicant is selected, whichever is sooner.

- 41 The Company shall be under no obligation to give further consideration or process any grievance which has been answered by the Management at any step of the grievance procedure unless the Union has within thirty (30) days of the date of such written answer by the Management given written notification to the Company of a desire to take the grievance up to the next step of the grievance procedure, or that the Union desires additional time to make such decision. Such additional time, if requested, shall not be such as will extend the total time to make such decision beyond 60 days from the day of Management's written answer unless otherwise agreed to by the Management.
- 42 4.02 Union Committeepersons shall be afforded such time off without loss of pay as may be required for the performance of their Union duties. Union Stewards from all shifts will be afforded time off as may be required for the performance of their Union duties. The duties of Union representatives are namely:
- 43 (a) To attend regularly scheduled meetings with the Management and to attend meetings with the Management pertaining to discharges and other matters, which cannot reasonably be delayed until the time of the next regular meeting. Before leaving his/her place of employment, each representative shall give notice to his/her Supervisor or other person designated by the Company as his/her replacement.
- 44 (b) To make necessary legitimate investigations of employee grievance or complaints as to the meaning or application of the provisions of this Agreement provided the Union representative in (advance), tells his/her Supervisor the approximate amount of time required to make that investigation, and if he/she is leaving the department, where he/she is going. The Supervisor will provided a substitute if the Union Representative's absence will interfere with the normal operation of the department.
- 45 The Company will not be required to pay Union representatives for time allegedly spent in investigating employee grievances in any case in which the privilege is abused by the Union representative who uses the time permitted for any reason other than making necessary legitimate investigations of employee grievance.
- 46 4.03 The Union agrees that any grievance, complaint or dispute will be reduced to writing stating the provision(s) of the Agreement relied upon in support of the Union's position, for presentation in all steps of the grievance procedure. However, this provision will not prevent the Union from referring to any other pertinent section of the agreement in support of their claim. The Company agrees that its decision on any such grievance, complaint, or dispute shall be given to the Union in writing.
- 47 The Company agrees that a decision will be given within twenty-four (24) hours in the first step unless additional time for the Company's investigation is required at which time, the time limit will be extended by mutual agreement of the Union, and whenever reasonably possible, within two (2) weeks in the second step of the grievance procedure. Failure of the Company to answer a written grievance within a reasonable time in the succeeding steps of the grievance procedure shall entitle the Union to carry the grievance to the next step.

- 48 4.05 Whenever a grievance involving basic pay is settled in favour of the employee, such reimbursement of pay shall be retroactive to the date of the circumstance which justified the reimbursement or sixty (60) days prior to the date of the presentation of the grievance to the Company in writing, which ever is the shorter period.
- 49 4.06 Whenever the Management requests a Union Representative to leave his/her job and confer upon Union matters, such representatives shall not lose pay for the time so spent. In case such representative works on the second, third or weekend shift and the Management requests him/her to confer at an hour, which requires him/her to make a special trip to the plant, he/she will be compensated at his/her contractual rate for the time so spent.
- 50 4.07 Subject to all established plant rules, a representative of the National Union shall at the request of the Union Grievance Committee, be permitted to enter the plant for purpose of obtaining necessary information pertaining to any grievance which remains unresolved after the second step of the grievance procedure.
- 51 4.08 Any case involving a continuing refusal of management to return an employee to work after disability, by reason of the medical findings of a physician or physicians acting for the Company, will be reviewed as soon as possible between the Company and the National Union, if such findings are in conflict with the findings of the employee's personal physician with respect to whether the employee is able to do a job to which he/she is entitled in line with his/her seniority. Failing to resolve the question, the parties will refer the employee to a clinic or physician mutually agreed upon whose decision with respect to whether the employee is or is not able to do a job which he/she is entitled in line with his/her seniority shall be final and binding upon the Union, the employee involved and the Company. The expense of such examination shall be paid one-half by the Company and one-half by the Union. Any retroactive pay due to the employee shall be limited to a period commencing with the date of filing of the grievance, or the date the employee became able to do a job to which he/she is entitled in line with his/her seniority whichever is the later.
- 52 4.09 (a) As soon as possible upon written identification from the Plant Chairperson to the Human Resources Manager, of unresolved grievances, which the Union feels are appropriate for submission to the Expedited Mass Arbitration process, the Company will arrange for a pre-arbitration meeting. The Purpose of this meeting shall be to reach agreement on the grievances to be scheduled for Expedited Mass Arbitration. Should the Company not agree to schedule a particular grievance for Expedited Mass Arbitration, it shall be processed in accordance with the regular procedure, unless withdrawn by the Union.
- 53 Any grievance may be submitted to the Expedited Mass Arbitration process, provided it has passed the second step of the grievance procedure, and both the Company and Union agree to put it there. Expedited Mass Arbitration meetings shall be scheduled one every calendar quarter unless mutually agreed otherwise.
- 54 (b) During or immediately after the meeting, the Union will submit to the Company a list of the cases which the parties have agreed are appropriate for Expedited Mass Arbitration and which the Union desires to go forward with.



- 55 (c) The Arbitrator designated by the parties will be contacted immediately by the parties for available dates for Expedited Mass Arbitration. This Arbitrator shall be selected from a panel of mutually agreed upon Arbitrators. These Arbitrators shall be numbered and selected in order of that number. If a suitable meeting date is not available, that Arbitrator will be by-passed and the next Arbitrator on the list will be selected. This list of Arbitrators will be in effect for the life of this Agreement.
- 56 (d) At least one (1) week in advance of the arbitration, the spokesman for the Company and the spokesman for the Union who will present the case to the Arbitrator will meet together at the plant for the purpose of conducting a joint investigation before the hearing by either party, unless otherwise agreed. The purpose of this joint investigation shall be to identify specifically those areas where the Company and the Union are in agreement and those issues and allegations where they are apart.
- 57 (e) On the day proceeding the scheduled Expedited Mass Arbitration (or such other time as the parties may agree) a hearing in the nature of a pre-trial conference will be held at which will be present only the spokesmen who will present the case on behalf of the Union and the Company and the Arbitrator who is scheduled to hear the cases. The conference will be conducted by the Arbitrator (with or without a stenographer as the parties may agree), and the parties will be asked to identify briefly the relevant facts, areas of agreement and disagreement, and the evidence to be presented at the hearing. The purpose of this conference shall be to acquaint the Arbitrator with the cases to be heard and narrow the issues where possible.
- 58 (f) At any time before the hearing, either party, or the Arbitrator at the pre-trial conference, may conclude that the issues involved are of such complexity or significance as to require further consideration, in which event, the case shall be referred back to and processed through the regular grievance-arbitration procedure.
- 59 (g) The hearing will be informal. The local Manager Human Resources and/or Labour Relations Manager will act as the spokesperson(s) for the Company, and, the local Plant Chairperson and/or Vice Chairperson will act as the spokesperson(s) for the union.
- 60 (h) No briefs will be filed or transcripts made, but the parties will submit a brief "presentation sheet" which will reflect (1) the issue, (2) facts agreed to by the parties, (3) facts in disagreement between the parties, (4) a short summary of the parties' contention in the case and (5) the relief requested.
- 61 The Arbitrator shall be bound by all the terms, conditions and procedures of the Agreement. Neither party may submit relevant precedence from other cases to the arbitrator, although the arbitrator may consider other precedence without stating such in his/her decision.
- 62 (j) In each case, the Arbitrator shall issue his/her decision, in writing, within seventy-two (72) working hours after conclusion of the hearing. The decision shall be based on the record developed and presented by the parties at the hearing and shall state only whether the grievance is granted or denied, or granted in part and denied in part, and the appropriate remedy, if any. The decision will not form a precedent for any future cases and will be expressly confined to the particular facts of the case. The decision shall be final and binding upon both parties.

## ARTICLE 5 - EMPLOYEE DISCIPLINE

- 63 5.01 (a) The Company, in directing the working force, may exercise its right to invoke disciplinary measures for just cause, subject to the terms and conditions of this agreement. In imposing discipline on a current charge, the Company will not take into account any prior infractions, which occurred more than two (2) years previously. Departmental disciplinary files will be purged of all discipline that is over two (2) years old. The Company will impose discipline up to and including discharge where an employee with (2) years or less of employment has falsified either medical, or employment records. The Company will not impose discipline for such offenses after (2) years of employment.
- 64 (b) An employee who is required to go to an office to discuss some action on his/her part which will result in such employee being disciplined, shall have his/her Union Committeeperson present during such discussion unless the employee declines the right to have representation in the presence of their Union Committeeperson. At the time the employee is to be interviewed for discipline or disciplined, such discipline will be issued in the privacy of an office.
- 65 5.02 Discharge Cases – Upon being notified of his/her discharge, it shall be the duty of an employee to leave his/her department and go to the Human Resources Department. The Union departmental representative and the Plant Chairperson shall be immediately notified and given the opportunity to review such discharge case with the employee alone or with others before the records in the Human Resources Department are closed. The wages of an employee shall cease at the time of his/her discharge excepting in cases where it is later determined that the discharge was not warranted.
- 66 An employee who is discharged will be furnished with a brief written statement describing the misconduct for which he/she has been discharged. The written statement furnished to the employee shall not limit Management's rights, including the right to rely on additional or supplemental information not contained in the statement to the employee. In the exceptional cases where the above is delayed, the special circumstances will be reviewed with the Plant Chairperson. The Plant Chairperson will receive a copy.
- 67 5.03 In the event an employee is discharged from employment and believes he/she has been unjustly dealt with, such discharge shall constitute a case arising under the method of adjustment of differences herein provided. Should it be decided under the terms of this Agreement that an injustice has been done to the employee with regard to the discharge, the Company agrees to reinstate him/her and to reimburse him/her for the wages he/she would normally have earned for the time lost, less what the employee has earned in outside employment since his/her discharge, to the extent of the hours he/she would have normally worked for the Company. These hours will also be counted as hours worked in determining credit units under the Supplemental Unemployment Benefit Plan, pension credits under the Non-Contributory Retirement Plan and for vacation purposes. In case of any such discharge, the Company must be notified in writing of the claims of the alleged wrongful discharge within five (5) working days and the case shall be taken up promptly and diligent efforts made to dispose of it within three (3) additional working days. An extension to the five (5) working day time limit may be granted by mutual agreement between the Company and the Union.

- 68 In the event the Company is notified as above regarding claim of wrongful discharge, the employee will be permitted to continue his/her protection under the Group Insurance Plan until the issue is resolved but not to exceed twelve (12) months. If the employee is reinstated and the Company is obliged to reimburse him/her for lost earnings, he/she will also be reimbursed to the extent of contributions he/she made to any such plans up to the amount, which normally would have been paid by the Company in his/her behalf.
- 69 Should it be decided under this Article in the case of a discharged employee that there was good cause for the discharge, or a discharged employee files a grievance requesting only a determination of eligibility for supplemental allowance (where the Company has specified that the reason for the employee's discharge will result in his/her being ineligible to receive a supplemental allowance), the arbitrator shall have the authority to determine in the case of an employee eligible to retire under Section 1.02 of Article 1 of the Non-Contributory Retirement Plan whether the cause for his/her discharge should result in his/her being ineligible to receive a supplemental allowance under such Retirement Plan.

#### **ARTICLE 6 - FUNCTION OF MANAGEMENT**

- 70 6.01 It is agreed that the Company has the right to direct generally the work of the employees subject to the terms and conditions of this Agreement, including the right to hire employees, to promote and transfer employees for proper cause, to discipline for just cause (i.e. counseling session, written reprimand, suspension, or discharge), to assign them to shifts with due regard to seniority, to determine the amount of work needed, and to lay them off because of lack of work in accordance with the provisions herein. However, none of the foregoing shall be done for the purpose of unfair discrimination.
- 71 6.02 To enable the Company to keep its products abreast of scientific and technical advances, it is agreed that the Company from time to time, and without reference to the rules of seniority set out in this contract, hire, transfer, teach, and assign duties to a small number of technical individuals or others to be mutually agreed upon between the Company and the Union.
- 72 6.03 The Company has the right to maintain discipline of employees including the right to make reasonable rules and regulations for the purpose of efficiency, safe practices and discipline. The Company will inform the Union of any changes in existing rules and regulations or the establishment of new rules and regulations before such changes are made effective. Any complaint as to the reasonableness of such rules or any grievance involving claims of discrimination against any employee in the application of such rules shall be subject to the grievance procedure of this Contract.

#### **ARTICLE 7 - SENIORITY**

- 73 7.01 Employees shall be regarded as probationary employees for the first **three (3)** months of their employment. All days of absence lost by a probationary employee, except designated holidays, must be made up by working an equivalent number of days. Days spent on modified duties due to medical reasons shall be deemed days of absence lost. An employee shall not acquire seniority until all such days of absence are made up. The Union shall be advised, after the probationary employee's **two (2)** months

Employment Evaluation, if the Company is aware of any issues which may result in the termination of the probationary employee. There shall be no responsibility for the re-employment of probationary employees if they are discharged or their service is terminated for any reason other than no work. When a probationary employee is terminated, such termination will be discussed between the Human Resources Manager and the Union Plant Chairperson. A probationary employee will have no seniority rights, but when such rights are acquired, service will date back to the date of employment.

- 74 A grievance resulting from the dismissal of a probationary employee may be processed through the grievance procedure but not to arbitration, unless discrimination under the Ontario Human Rights Code or Union activity is alleged. A probationary employee is entitled to all other rights and privileges accruing to employees under this Agreement.
- 75 7.02 After **three (3)** months employment within any period of eighteen (18) consecutive months an employee shall be entitled, to be placed on the plant wide seniority list and such seniority shall date from the date of hiring.
- 76 Seniority numbers will be applied as of the date hired, by a random procedure determined by the Employment office and each employee's relative position to other bargaining unit employees will remain constant through his/her employment period. Seniority numbers will be used for the purpose of lay-off, recalls, transfers and other seniority provisions outlined in the Agreement.
- 77 Employees having **three (3)** months or more of service shall be placed on the plant-wide seniority list.
- 78 7.04 In determining an employee's length of service for seniority and employment purposes, computation will begin on the date the employee began work and except in the case of probationary employees, no deductions will be made for lost time due to any reason; however,
- 79 Employment and service shall both terminate when (a) an employee voluntarily leaves the Company's employ.
- 80 (b) An employee is discharged for cause, and the decision is not reversed under provisions of Article 5 herein.
- 81 (c) Due to layoff, because of no work of an employee on the probationary list a period of more than eighteen (18) months has elapsed since the employee last worked for the Company.
- 82 (d) Due to layoff, because of no work, of an employee on the seniority list, a continuous period equal to the length of service he/she had acquired at the time of such layoff has elapsed, or a period of more than five (5) years has elapsed, whichever is longer.
- 83 (e) An employee who has been laid off because of no work fails to notify the Employment Office within three (3) working days of the receipt or the return of a registered recall letter of his/her intent to return to work, and fails to report for work within five (5) working days from such date. These requirements will be waived providing a reasonable explanation is given to Management. For purposes of recall it shall be the responsibility of an employee

to notify the Employment Department in writing of any change of address. Failure to do so will relieve the Company of any obligation to the employee not fulfilled because of incorrect address. However, for a period not to exceed thirty (30) days, in connection with the annual vacation shutdown and maintenance period, an employee who is notified to report to work shall have the right to elect to continue on layoff if he/she provides evidence that he/she is employed elsewhere (except self-employed) without loss of seniority.

- 84 (f) An employee fails to report for work at termination of a leave absence. This requirement will be waived provided a reasonable explanation is given to Management for not reporting.
- 85 (g) An employee has been out of employment with the Company for more than sixty (60) consecutive months or length of service, whichever is greater for any reason other than layoff because of no work. However, it is agreed that the Company and the Union, by mutual agreement, may make exceptions to the seniority provisions of this contract in favour of an employee who has suffered a major disability.
- 86 (h) An employee has been absent from work for more than five (5) consecutive working days without formal permission for such absence having been granted, as provided under Article 14. Such absence will be waived provided a reasonable explanation is given to Management.
- 87 Employees may be subject to dismissal for chronic absenteeism without permission after having been formally warned regarding such practice. Employees will be subject to termination proceedings with the status of "quit" if absent for more than five (5) consecutive working days for reasons other than disability unless a formal leave of absence has been granted. The Company will notify the Union Plant Chairperson when an employee has been absent four (4) consecutive working days and is subject to the terms of this section.
- 88 (i) Seniority only shall cease when an employee is, or was, transferred pursuant to Article 7.07 and such employee does not return to the Bargaining Unit within the prescribed time limits in Article 7.07.
- 89 (j) An employee applies and receives a termination payment by the Company pursuant to the Termination Payment Plan.
- 90 In the application of (e), (f) and (h) of this section 7.04, inability to report for work up to a period of three hundred and sixty five (365) days because of detention arising out of a charge or conviction involving the operation of a motor vehicle will not be regarded as breaking seniority. In cases where detention exceeds three hundred and sixty five (365) days, consideration will be given by local Management based on the circumstances relating to the individual case. In the event, the Courts grant a work release program for motor vehicle violations to the employee, the Company will honour such program.
- 91 7.05 Former employees re-entering service after their continuity of service has been broken by any of the foregoing reasons shall be considered new employees.
- 92 7.06 (a) The Company agrees to accord a preferred seniority status to the Chairperson

of the Union Shop Committee, Plant Safety Chairperson, Union Shop Committeepersons, Union Shop Stewards, Work Standards and Ergonomic Representatives, and Local 127 Officers (President, Vice-President, 2<sup>nd</sup> Vice-President, Recording Secretary, Financial Secretary, Head Trustee) so that the Union is assured of proper representation in the plant as long as there are employees working in those areas to be represented in accordance with the provisions of this agreement.

Committeepersons and Stewards may be transferred from job-to-job within the department or departments they represent, when necessary, because of reduced operations, on the basis of their regular seniority first, and preferred department(s) seniority when their regular seniority expires. The designated Local Officers and Plant Chairperson (see Letter **No. 126** re Plant Chairperson) will maintain preferred seniority on a plant-wide basis once their regular seniority expires. In no case shall the Company be under obligation to assign work because of preferred seniority status to a person who is not capable of doing the work available.

- 93 (b) The right to designate the persons who shall have such preferred seniority status shall be vested in the Union, provided that the list at all times shall include only employees in office. Whenever the Union desires to substitute another person for one then having preferred seniority it shall notify the Company in writing and thereafter the person whose preferred seniority has ceased shall resume his/her regular seniority.
- 94 (c) In no case can an individual on preferred seniority status use that status to better their position under the provisions of 7.10.
- 95 (d) If an area represented by an individual on the preferred seniority list ceases to exist (other than Local 127 Officers), that individual will be removed from such list.
- 96 7.07 A managerial employee of Chatham Plant or any other employee who is returned to the bargaining unit within a period of two (2) months from the date of his/her assignment to a position not covered by this Agreement shall be credited with the accumulated seniority which he/she had at the date he/she left the bargaining unit and such employee shall, displace the employee in the bargaining unit with the least seniority on work which the returning employee is capable of performing in a satisfactory manner, and provided the returning employee has the greatest seniority.
- 97 7.08 The Company will provide the Plant Chairperson, Committeepersons and Stewards with, **on-line access to current seniority list on every plant computer capable of accessing the AS400 system**
- 98 Upon written request, Local 127 Unit Election Committee Chairperson will receive departmental seniority lists showing shifts.
- 99 The Company will furnish the Plant Chairperson, weekly, a list of all new employees, together with the names of employees recalled, transferred, or those who leave the employ of the Company for any reason.
- 100 7.09 (a) The Company will furnish to the Union Shop Committee every February 1, August 1, **and December 1** of each year, or more often as agreed if necessary, an up-to-date plant-wide seniority list with the service calculation updated and will keep the committee informed of changes. In addition, the Company will also add the labour

grades and classifications onto the same listings.

- 101 (b) The Company will furnish to the Union at six-month intervals, a list containing the names and addresses, as shown on Company records, of all employees covered by the Contract on the active employment rolls of the Company. The Union will take adequate measures to insure that such information is treated in a confidential manner and is disclosed only to those Union officials whose duties require this information.

#### **7.10 – STATIC PHYSICAL DEFECT-PLACEMENT**

- 102 An employee who, due to a static medical defect, is certified by the Company doctor as requiring work of a different nature from his/her regular work for an indefinite period, will be assigned to any existing vacancy deemed to be suitable by the Company doctor, providing the employee is capable of satisfactorily performing such work and his/her seniority would entitle him/her to such an assignment.
- 103 If such a vacancy does not exist, and providing the employee has one years' seniority service, he/she will be assigned to work being done by a shorter service employee either in his/her own or another department whose work he/she is capable of satisfactorily performing and which work is deemed suitable by the Company doctor. When it has been established that the employee is to be assigned to displace a shorter service employee, such assignment may be delayed for a period of three (3) days in order to provide for the necessary three (3) day notice of layoff to the shorter service employee involved.

#### **NEW JOBS AND REPLACEMENTS**

- 104 (a) A new job or replacement opening is the initial increase in a current classification within a department, or, the initial populating of a new classification within a department, or, the initial introduction of a classification that is new to the plant, or, the initial opening to permanently replace an employee who has left active employment with the Company for reasons other than layoff (such as retirement, LTD, quit, etc.)
- 105 When new jobs or replacement openings occur, the Company will post a notice on a Saturday (if a weekend shift is in effect) throughout the plant advising employees of the quantity, labour grade, classification, pool number, labour group code and a brief description of the pool, as well as the departments involved. This notification will remain posted for two (2) work days of each operating shift. Should a posting be required during the week the Union will be consulted and the fourth (weekend) shift employees will be notified by telephone.
- 106 **All postings will be signed off by representatives of the Company and Union prior to being posted.**
- 107 Employees wishing to submit or withdraw either Pool Change Requests or Department Change Requests may do so at any time prior to, or, during their respective shift within the notification period. Requests to withdraw either Pool change Requests or Department Change Requests will be made in writing on the appropriate forms. It is the responsibility of the employee to retain a copy of the form and deliver two (2) copies to the designated people. Department Change withdrawal requests and/or pool change

withdrawal requests go to the Human Resources department. The second copy goes to the employee's union representative.

- 108 Immediately following the notification period, a freeze period will be applied to allow the Company ample time to prepare the upcoming manpower moves. When a total of twenty (20) or less new job and replacement openings are initiated, a two (2) workday freeze will apply. When a total of more than twenty (20) new job and replacement openings are initiated, a seven (7) workday freeze will apply. Shift bump requests will also be frozen while the contractual seniority provisions (i.e. determination of manpower moves) are being processed.
- 109 (b) (i) An employee who wishes to change pools within the department shall fill out a "Pool Change Request" and the successful applicant will be selected on the basis of seniority and ability. This completed form, shall be initialed by the Area Union Representative who will retain one copy. The employee will submit the top copy to Human Resources and retain one copy.
- 110 After acceptance of an initial Pool Change Request, only two (2) subsequent Pool Change Requests will be honoured prior to going outside of the department, providing departmental employees who have been displaced have first been placed onto available vacancies. The second subsequent "Pool Change Request" will be honoured for all jobs except:
- 003 – General Cleaning and Painting
  - 125 – Assembly
  - 107 – Utility
- 111 (ii) If the new job or replacement opening cannot be filled from within the department. "Department Change Requests" from employees in other departments will be honoured, and those employees will be assigned to the department in line with their seniority and ability by the Employment Office. An employee may file such request with the employment office and retain a copy. The Company will make every effort to finalize all moves resulting from "Departmental Change Requests" and "Pool Change Requests" within fifteen (15) working days of the day on which the successful applicant is selected. In the event that the fifteen (15) working days is exceeded for legitimate reasons, there will be no pay liability.
- 112 Only two (2) Pool Change Request will be honoured to fill a vacancy created through acceptance of a Department Change Request. The second subsequent "Pool Change Request" will be honoured for all jobs except:
- 003 – General Cleaning and Painting
  - 125 – Assembly
  - 107 – Utility
- At this point, no additional Pool Change Requests nor Departmental Change Requests will be honoured. Should further manpower still be required, it will be filled in the following order:
- 1) An employee displaced from another department
  - 2) An employee recalled from layoff.
- 113 (a) (iii) Employees may designate a specific classification, specific current Labour Group Code, or Pool Number within a department on a Department Change Request.



Employees must have their area Union representative initial all Department Change Requests before they are submitted to Human Resources Department by the employee.

- 114 Labour group codes of all Pool/Department Change Requests will be posted throughout the plant and updated when changes in labour groups occur.**
- 115 Applicants who submit more than one (1) Department Change Request or Pool Change Request may designate their preference on such forms.
- 116 In no case will an employee be allowed to have more than five (5) Department Change Requests and (3) Pool Change Requests on file at any one time. There will be an annual purge every January 1<sup>st</sup> of all Department Change Requests and Pool Change Requests on file. An employee will be permitted to change pools up to three times within any calendar year as a result of bidding through Pool Change Requests and/or Department Change Requests.
- 117 (iv) At the point an employee is accepted on either a Department Change Request or Pool Change Request, all outstanding Department Change Request and Pool Change Requests will be removed from the system. This does not restrict the employee's right to resubmit Pool Change Requests and Department Change Requests.
- 118 (v) Where a dispute arises as to the ability of the longer service employee to perform the work he/she shall be allowed the following periods of time under normal instructions to prove such capabilities:
- 119 (ii) Workers in the following classifications: 003, 058, 90A, 125, 043 and 107, up to five (5) days (39 continuous working hours)
- 120 (iii) Workers in all other current classifications – up to ten (10) days (78 continuous working hours).
- 121 (c) In the application of sub section (a) and (b) of the above, employees disqualified after transfer will be reduced to an existing new job, or replacement opening first within the department and if none, a plant-wide new job or replacement opening if his/her seniority warrants. If no new jobs or replacement openings are available on a plant-wide basis, the employee will displace the most junior employee within the Plant (Skilled Trades excepted) whose job employee is capable of performing.

#### **REDUCTIONS OF AVAILABLE WORK IN A DEPARTMENT**

- 122 7.11 In the event of a reduction of available work in a department, the employees having the greatest seniority shall be retained at work provided they are capable of performing the work required to be done.
- 123 The employees in the department whose jobs have been discontinued as a result of the reduction of available work shall, if capable, be assigned consistent with their seniority in the following manner:
- 124 (1) Simultaneous Increase and Decrease (Resulting in no one being transferred out of the department).

- 125 If the increase and decrease are in the same labour grade and classification:
- 126 (a) The employee in the classification and labour grade whose job has been discontinued shall be placed in the available work within his/her own Labour Group and will have the choice of available jobs by seniority at the point of entry and no Pool change request will be required.
- 127 If there is no available work within his/her own labour grade and classification in his/her own labour group, this employee shall be placed in the available work within his/her own labour grade and classification within the department.
- 128 If the increase and decrease are in a different labour grade and classification:
- 129 (b) The employee with the least seniority in the reduced classification and labour grade is removed and is placed in the available work within his/her own labour group and will have the choice of the available jobs by seniority at the point of entry.
- 130 If there is no work available within his/her own labour group, the employee shall be placed in available work within the department and will have the choice of available pools by seniority at the point of entry, and no Pool change request will be required.
- 131 (2) Reduction of Available Work Resulting in Transfers Out of the Department.
- 132 In the event a new job or replacement opening occurs within the department at the same time as the department is reducing overall, the Company will post a notice (on a Saturday if a weekend shift is in effect) throughout the department advising employees of the quantity, labour code, classification, labour group code, and a brief description of the pools. This notification will remain posted for two (2) work days of each operating shift. Should a posting be required during the week, the Union will be consulted and the fourth (weekend) shift employees will be notified by telephone.
- 133 Employees wishing to submit or withdraw Pool Change requests may do so any time prior to, or during their respective shift within the notification period. Requests to withdraw either Pool Change Requests or Department Change Requests will be made in writing on the appropriate forms. It is the responsibility of the employee to retain a copy of the form and deliver two (2) copies to the designated people. Department Change withdrawal requests and/or pool change withdrawal requests go to the Human Resources department. The second copy goes to the employee's union representative.
- 134 Immediately following the notification period, a freeze period will be applied to allow the Company ample time to prepare the manpower moves. When a total of twenty (20) or less new job and replacement openings are initiated, a two (2) work day freeze will apply. When a total of more than twenty (20) new job and replacement openings are initiated, a seven (7) workday freeze will apply. Shift bump requests will also be frozen while the contractual seniority provisions (i.e. determination of manpower moves) are being processed.
- 135 An employee who wishes to move from one pool to another within the department shall fill out a "Pool Change Request" and the successful applicant will be selected on the

basis of seniority and ability. This completed form shall be initialed by the Area Union Representative who will retain one copy. The employee will submit the top copy to Human Resources and retain one copy.

- 136 After acceptance of an initial Pool Change Request, only two (2) subsequent Pool Change Request will be honoured. The second subsequent "Pool Change Request" will be honoured for all jobs except:  
003 – General Cleaning and Painting  
125 – Assembly  
107 – Utility
- The term "new job or replacement opening" is as defined in Section 7.10 (a) Paragraph 104. The reduction procedure is as follows:
- 137 (a) The employee with the least amount of seniority within the pool being reduced shall displace the employee having the least amount of seniority within the same classification and labour grade, first within his/her own labour group, and if this is not possible, then within the overall "department". The employee with the least amount of seniority in the reduced classification and labour grade, shall displace the employee with the least amount of seniority within the department. Employees displaced will have choice of available jobs by seniority providing the employee is capable of performing the work.
- 138 (b) The employee with the least amount of seniority in the department who is transferred out will be transferred to available work in the plant. Employees displaced will have choice of available jobs by seniority providing the employee is capable of performing the work.
- 139 (c) The departmental Supervisor and the departmental Union Representative will review all cases when this section of the contract is exercised within their department.
- 140 Where a dispute arises as to the ability of the longer service employee to perform the work, he/she shall be allowed the following periods of time under normal instructions to prove such capabilities:
- 141 (ii) Workers in the following classifications: 003, 058, 90A, 125, 043 and 107, up to five (5) days (39 continuous working hours).
- 142 (iii) Workers, in all other current classifications – up to ten (10) days (78 continuous working hours).
- 143 7.12 Employees whose services are to be terminated because of reduced manufacturing schedules will be given as much advance notice as possible, but in no case less than three (3) working days. Working days for this purpose will include any Company paid designated holidays. If at the end of such three (3) day notice, as guaranteed herein, such employee is not laid off, the employee must be given another notice of not less than three (3) working days before being laid off.

- 144 13 (a) When it becomes necessary to decrease the force in a department, then probationary employees shall be the first to be laid off.
- 145 (b) Before employees who have plant-wide seniority are laid off, The Company will give consideration to operating the plant on a shorter work week schedule and/or shorter daily schedule, provided such schedule can be carried out in a manner consistent with the efficient operation of the plant and representatives of the Union and the Company are in mutual agreement.

#### **7.14 – LAY-OFF- OUT OF PLANT**

- 146 In the event new job or replacement openings occur throughout the plant at the same time as an overall layoff out of the plant, the Company will post a notice on a Saturday (if a weekend shift is in effect), throughout the plant advising employees of the quantity, labour grade, classification, pool number, labour group code and a brief description of the pool, as well as the departments involved. This notification will remain posted for two (2) work days of each operating shift. Should a posting be required during the week the Union will be consulted and the fourth (weekend) shift employees will be notified by telephone.
- 147 Employees wishing to submit or withdraw either Pool Change Requests or Departmental Change Requests may do so at any time prior to, or, during their respective shift within the notification period. Requests to withdraw either Pool Change Requests or Department Change Requests will be made in writing on the appropriate forms. It is the responsibility of the employee to retain a copy of the form and deliver two (2) copies to the designated people. Department Change withdrawal requests and/or pool change withdrawal requests go to the Human Resources department. The second copy goes to the employee's union representative.
- 148 Immediately following the notification period, a freeze period will be applied to allow the Company ample time to prepare the upcoming manpower moves. When a total of twenty (20) or less new job and replacement openings are initiated, a two (2) workday freeze will apply. When a total of more than twenty (20) new job and replacement openings are initiated, a seven (7) workday freeze will apply. Shift bump requests will also be frozen while the contractual seniority provisions (i.e. determination of manpower moves) are being processed.
- 149 (i) An employee who wished to move from one pool to another within the department shall fill out a "Pool Change Request" and the successful applicant will be selected on the basis of seniority and ability. This completed form shall be initialed by the Area Union Representative who will retain one copy. The employee will submit the top copy to Human Resources and retain one copy.
- 150 After acceptance of an initial Pool Change Request only two (2) subsequent Pool Change Requests will be honoured to fill the vacancy created through acceptance of a Department Change Request. The second subsequent "Pool Change Request" will be honoured for all jobs except:  
003 – General Cleaning and Painting  
125 – Assembly

107 – Utility

- 151 In the event of a reduction of available work resulting in lay-off, the employees whose jobs have been discontinued will be assigned consistent with seniority in the following manner:
- 152 Step 1 - (i) The determination of the employee with the least amount of seniority will be the same as outlined in Section 7.11 (2)(a) and (b)(i), “Reductions of Available Work in a Department.”
- 153 (ii) Employees being displaced within a department will be given the first opportunity, by seniority and ability to fill vacated jobs within the department at the point of entry. **If openings exist within the off-shift clean-up crew, the most junior people displaced would be identified and placed in these vacancies. The Company will allow senior displaced employees preference to off-shift “clean-up crew” vacancies.**
- 154 Step 2 - The employee(s) reduced from their department per Section 7.11 (2)(a) and (b) and eligible to be Transferred to other departments will be transferred in line with their seniority in the following manner:
- 155 **If the Company exercises its options to move the 3<sup>rd</sup> shift Clean-up crew to second shift, all references to the 3<sup>rd</sup> shift Clean-up crew in the Collective Agreement will apply.**
- 156 The Company will identify to the Union those employees reduced from their departments and those departments that require additional employees. The Union will provide written notification to the Company of the department to which each reduced employee will be assigned within twenty-four hours of receipt of the list of the employees to be reduced. In the event that this information is not received by the Company within this time frame, the Company will, at its discretion, place the reduced employees to the open departments.
- 157 Step 3 - At the time of transfer into the department, the employee(s) will be given the choice of available pools. If the employee(s) is unavailable to make his/her selection known, the Departmental Committeeperson or his/her representative will select the opening for the employee(s).
- 158 Step 4 - After completion of the above lay-off procedure and prior to implementation, a review will be conducted with the Plant Chairperson or his/her designee to correct inefficiencies or seniority inequities that might result. Further, and in this regard, the Department Head and departmental Union Representative will review all cases of lay-off in their area.
- 159 Where a dispute arises as to the ability of the longer service employee to perform the work, he/she shall be allowed the following periods of time under normal instructions to prove such capabilities:
- 160 (ii) Workers in the following classifications: 003, 125, and 107, up to five (5) days (39 continuous working hours)
- 161 (iii) Workers, in all other current classifications – up to ten (10) days (78 continuous

working hours).

### **7.15 EXCEPTIONS TO SENIORITY**

- 162 At each layoff or recall following layoff, the Company may designate certain individual employees whose services are required under the special circumstances then existing. No such designation shall become effective until approved by the Manager, Human Resources and agreed by the Union. The fact that an employee has been so designated shall not affect his/her regular seniority standing and he/she shall resume the same as soon as the special reasons in his/her case cease to exist. (Reference Letter **No. 97** for other Exceptions To Seniority).
- 163 7.16 (a) Seniority shall not apply in the cases of employees temporarily laid off for periods not exceeding three (3) working days at any one time due to production interruptions, such as breakdowns of equipment, shortage of stock, power failure or other conditions beyond the Management's reasonable control, except with regard to jobs within a department which are regarded as being of a very comparable nature and there is no question of the ability of the longer service employee to satisfactorily perform the work of a shorter service employee whom he/she may replace because of the circumstances then existing. This exception however, shall not apply unless the temporary layoff exceeds a half shift.
- 164 If at the time an employee is to be temporarily laid off, there is available work in his/her department, and such an employee makes his/her intentions known to his/her Supervisor or department head, prior to being laid off that he/she wants to be considered for the work available, he/she will be retained on the same, provided there is no question as to his/her ability to perform the work required, and he/she is the most senior employee requesting such work.
- 165 (b) When it is necessary to send an employee home due to a temporary condition of no work on his/her job (including those caused by excess product inventory, whether foreseeable or not), and it is foreseeable that the duration of such no-work condition will exceed five (5) working days and management has not implemented the provisions of Section 7.16 (c) of this Article, the employee shall be permitted to exercise his/her seniority rights according to the appropriate Sections on Seniority. The period of time above referred to may be extended by mutual agreement of the Company and the local union. The provision shall not be used for the purpose of avoiding seniority adjustments by scheduling a series of temporary layoffs to meet planned production needs.

### **(c) TEMPORARY LAYOFF INVERSE SENIORITY AGREEMENT**

- 166 (i) Layoffs for excess inventory, plant rearrangements, stock shortages, equipment breakdown, model changeover, or other conditions which are expected to be five (5) working days or more, but less than thirty (30) calendar days will be considered as inverse seniority layoffs. If less than all the employees in a department must be placed on layoff during such periods, employees with the affected classification will be laid off, for the duration of the period, in inverse seniority order (highest seniority first) unless they have made application to continue to work at least fourteen (14) days prior to such layoff and their services are required. This application must be made on forms provided by the Management.

- 167 In those departments, which provide support service to several departments, this agreement will apply to employees of such support departments assigned to the department affected by the temporary layoff.
- 168 In those departments where there is more than one assembly line or where multiple products are produced, this section will only apply to the affected assembly line or products.
- 169 (ii) When it is necessary to process a temporary layoff the Plant Chairperson and Departmental Representative of the area affected will be advised of the department(s) or group(s) within the department(s) that will be affected by the layoff. Layoff notices to the employees affected will be accomplished by posting on the bulletin board in the department, as far in advance as practicable, a notice identifying the group(s) and/or classifications to be reduced and the number of employees to be placed on temporary layoff from each group and/or classification. Employees affected will be advised of their layoff by their supervisor.
- 170 (iii) Employees with less than one (1) year of seniority who are not retained to replace a more senior employee who has been placed on a temporary inverse layoff and who are in affected department(s), classification(s), and shift(s) will not be placed on layoff as a result of the application of this Section. Such employees will be reassigned on a loan basis to other work within the bargaining unit. While on such loan reassignment employees will be paid in accordance with Article 15 of the Labour Agreement. No seniority violation will be claimed as a result of such a loan reassignment.
- 171 (iv) Management has the right to retain more senior employees in classifications where they alone are qualified to perform the work without break-in.
- 172 (v) In the event an insufficient number of employees apply to be retained at work, employees qualified to perform the work will be required to work in the order of lowest seniority first. If more employees have applied to remain at work than are required, such employees will be placed on layoff in the order of lowest seniority first.
- 173 (vi) At the time of layoff employees will be advised of the date they are to return to work. Such notification will constitute notice of recall and no further recall notice will be given, except as provided in Sub-section (viii) below.
- 174 (vii) Upon return to work, an employee will return to the specific department, shift, classification and pool assignment held prior to the inverse seniority layoff unless, due to a subsequent regular layoff, the employee would have been displaced by a more senior employee, in which case the employee returning from inverse seniority layoff will be assigned upon return under appropriate provisions of the Labour Agreement.
- 175 (viii) In the event the need for an inverse seniority layoff ends prior to the scheduled termination date, the Company will recall employees to their jobs in accordance with the recall language of the Agreement (but in inverse order). Employees will have the

obligation to keep the Company advised as to where they can be reached in the event of such prior recall. Any employee, so recalled prior to the scheduled termination date of a temporary inverse layoff, will not be terminated for failure to report for work not later than the originally scheduled date of return or give a satisfactory reason for not reporting. During the period of recall of such an employee the Company may fill such employee's job by a temporary assignment without regard to seniority.

- 176 In the event of a layoff, which at first is considered to be under thirty (30) days becomes a permanent layoff, the employees laid off under the provisions of this section will be returned to work at the time scheduled and other employees will be laid off under the normal layoff provisions.
- 177 (ix) When layoffs are known to be over thirty (30) days, but less than sixty (60) days, the provisions of this Section may be put into effect by mutual agreement between Local Management and the Local Union.
- 178 (x) These provisions will supercede the provisions of any agreement between the parties and any claim of improper application of this Section will be adjusted by placing the proper employee on temporary inverse layoff.
- 179 (xi) It is agreed that these provisions on the implementation or administration of the Temporary Layoff Inverse Seniority Agreement will be reviewed as requested by either local Management or the local Union to recommend corrections of inefficiencies or seniority inequities that might result.
- 180 However, no changes shall be made in the implementation procedure until approved by Labour Relations, World Headquarters, and the C.A.W. National Union.
- 181 (d) The Company agrees that Section 7.16 (b) and (c) will only be operable when the S.U.B. fund is at a level sufficient to pay benefits to the employees (provided such employees qualify for S.U.B. in all other respects.)

#### **7.17 RECALL AND RESTORATION OF FORCES**

- 182 (a) Employees who have been laid off in the course of a reduction of forces shall have recall and restoration rights according to the following procedure, provided they are capable of performing the available work.
- 183 Step 1 - New jobs or replacement openings will be filled by the following provisions prior to any recalls.
- 184 (i) When new jobs or replacement openings occur, the Company will post a notice on a Saturday (if a weekend shift is in effect) throughout the plant advising employees of the quantity, labour grade, classification, pool number, labour group code and a brief description of the pool, as well as the departments involved. This notification will remain posted for two (2) work days of each operating shift. Should a posting be required during the week the Union will be consulted and the fourth (weekend) shift employees will be notified by telephone.
- 185 Employees wishing to submit or withdraw either Pool Change Requests or Department



Change Requests may do so at any time within the notification period. Requests to withdraw either Pool Change Requests or Department Change Requests will be made in writing on the appropriate forms. It is the responsibility of the employee to retain a copy of the form and deliver two (2) copies to the designated people. Department Change withdrawal requests and/or pool change withdrawal requests go to the Human Resources department. The second copy goes to the employee's union representative.

- 186 Immediately following the notification period, a freeze period will be applied to allow the Company ample time to prepare the upcoming manpower moves. When a total of twenty (20) or less new job and replacement openings are initiated, a two (2) workday freeze will apply. When a total of more than twenty (20) new job and replacement openings are initiated, a seven (7) workday freeze will apply. Shift bump requests will also be frozen while the contractual seniority provisions (i.e. determination of manpower moves) are being processed.
- 187 (ii) An employee who wishes to change jobs within the department shall fill out a "Pool Change Request" and the successful applicant will be selected on the basis of seniority and ability. This completed form shall be initialed by the Area Union Representative who will retain one copy. The employee will submit the top copy to Human Resources and retain one copy.
- 188 (iii) After acceptance of an initial Pool Change Request, only one (1) subsequent Pool Change Request will be honoured prior to going outside of the department. A second subsequent "Pool Change Request" will be honoured for all jobs except:  
003 – General Cleaning and Painting  
125 - Assembly  
107 - Utility
- 189 (iv) If the new job or replacement opening cannot be filled by a Pool Change Request, and providing departmental employees who have been displaced have been first placed onto available vacancies. "Departmental Change Requests" from employees in other departments will be honoured, and those employees will be assigned to the department in line with seniority and ability, by the Employment Office. An employee may file such request with the Employment Office and retain a copy. The Company will make every effort to finalize all moves resulting from "Department Change Requests" within fifteen (15) working days of the day on which the successful applicant is selected. In the event that the fifteen (15) working days is exceeded for legitimate reasons, there will be no pay liability.
- 190 Only one (1) Pool Change Request will be honoured to fill a vacancy created through acceptance of a Department Change Request. At this point, if a labour grade "G" or higher vacancy remains, only then will one (1) additional Pool Change Request be honoured or, if there are no Pool Change Requests for the same vacancy, one (1) additional Department Change will be honoured.
- 191 Step 2 - Additional employees required for Plant operations will be recalled from the plant wide seniority lists, low seniority number first, before new employees are hired. (Exceptions to the above are subject to the provisions of the Collective Agreement relating to the application of inverse seniority layoffs).

- 192 (b) Employees recalled from lay-off will be returned by seniority:  
(i) to the department in which they were laid off, if available.  
(ii) to the original pool, if available.
- 193 Third shift Plant Services (clean-up crew) vacancies will be filled **with the most junior recalled employee(s) prior to the application of Section 7.17 (b)(i).**
- 194 The employee may notify the Employment Office of his/her option upon recall to be called to a department other than the department from which he/she was laid off from (limited to department(s) from which he/she was forced reduced). The employee must exercise this option no less than ten (10) working days prior to recall or at the time of layoff.
- 195 (c) After completion of the above recall and restoration procedures prior to implementation, a review will be conducted with the Plant Chairperson or his/her designee to correct inefficiencies or seniority inequities that might result. Further, and in this regard, the Superintendent and Departmental Union Representative will review all cases of recall in their area.
- 196 (d) The Company shall be under no obligation to consider any employee for the purpose of recall after a reasonable effort is made in the presence of a departmental Union Representative. The aforementioned will not supercede the provisions of Section 7.04 (e) and 7.12.
- 197 7.18 In the event that work is moved from one pool to another pool(s) resulting in a reduction of employees in the former pool, and an increase in the receiving pool(s), the pool members will get the option by seniority of transferring with the work. The employee must exercise this prerogative at the time such work is moved, or exercise contractual rights in the present department as per the provisions of Section 7.11.
- 198 7.19 Employees entering into a new pool through the application of the seniority provisions of Articles 7.10, 7.11, 7.14 or 7.17 may exercise shift preference according to their seniority, provided they submit the proper selection form to their Superintendent. Employees subsequently affected may also exercise their shift preference according to their seniority at the same time, following the same method. Where multiple starting times exist within a pool, employees will be offered their choice of starting times in order of seniority. The forty-five (45) and thirty (30) day restrictions outlined in Article 8.01 will not apply to either, the originator nor the affected employee in these cases.
- 199 7.20 An employee affected by a reduction of force may elect to take lay off status if offered work not in line with his/her work experience and wage classification, but if he/she so elects he/she may be later recalled to fill a vacancy in an occupation in line with his/her seniority and qualifications. If he/she does not respond and accept such work when offered he/she will be terminated as a quit employee as provided in Section 7.04(e).

#### **ARTICLE 8 - HOURS OF WORK, OVERTIME POLICY AND HOLIDAYS**

- 200 8.01 The regular weekly working schedule shall be Monday to Friday inclusive. The weekly pay period upon which earnings will be calculated is from Sunday to Saturday.
- 201 The regular work week shall consist of four (4) consecutive eight and one-half hour days

and a fifth day of five hours, with two (2) consecutive days off, except employees on continuous shift operations during shift changes.

<b>MAIN ASSEMBLY LINE ONE SHIFT</b>	<b>MAIN ASSEMBLY LINE TWO SHIFT</b>
<i>One Shift Operation:</i>	<i>One Shift Operation:</i>
Monday to Thursday: 6:30a.m. to 12:00p.m. 12:30 p.m. to 3:30p.m. Friday: 6:30 a.m. to 11:30 a.m.	Same  Same
<i>Two Shift Operation:</i>	<i>Two Shift Operation:</i>
<u>Day Shift:</u> Monday to Thursday: 6:30a.m. to 12:00p.m. 12:30 p.m. to 3:30p.m. Friday: 6:30 a.m. to 11:30 a.m.	<u>Day Shift:</u> Monday to Thursday: 6:30a.m. to 12:00p.m. 12:30 p.m. to 3:30p.m. Friday: 6:30 a.m. to 11:30 a.m.
<u>Afternoon Shift:</u> Monday to Thursday: 3:30 p.m. to 8:00 p.m. 8:30 p.m. to 12:30 a.m. Friday: 11:30 a.m. to 4:30 p.m.	<u>Afternoon Shift:</u> Monday to Thursday: 4:30 p.m. to 9:00 p.m. 9:30 p.m. to 1:30 a.m. Friday: 12:00 p.m. to 5:00 p.m.
<i>Three Shift Operation:</i>	<i>Three Shift Operation:</i>
<u>Day Shift:</u> Monday to Thursday: 6:30a.m. to 12:00p.m. 12:30 p.m. to 3:30p.m. Friday: 6:30 a.m. to 11:30 a.m.	<u>Day Shift:</u> Monday to Thursday: 6:30a.m. to 12:00p.m. 12:30 p.m. to 3:30p.m. Friday: 6:30 a.m. to 11:30 a.m.
<u>Afternoon Shift:</u> Monday to Thursday: 3:30 p.m. to 8:00 p.m. 8:30 p.m. to 12:30 a.m. Friday: 11:30 a.m. to 4:30 p.m.	<u>Afternoon Shift:</u> Monday to Thursday: 4:30 p.m. to 9:00 p.m. 9:30 p.m. to 1:30 a.m. Friday: 12:00 p.m. to 5:00 p.m.
<u>Evening Shift:</u> Monday to Thursday: 10:00 p.m. to 3:00 a.m. 3:30 a.m. to 6:30 a.m. Friday 10:00 p.m. to 3:00a.m. 3:30 a.m. to 5:30 a.m.	<u>Evening Shift:</u> Monday to Thursday: 10:00 p.m. to 3:00 a.m. 3:30 a.m. to 6:30 a.m. Friday 10:00 p.m. to 3:00a.m. 3:30 a.m. to 5:30 a.m.

202 All employees working on a continuous three shift operation shall be entitled to a paid lunch period of eighteen (18) minutes, which shall commence at the middle of the shift. Pay for the lunch period shall be at the employee's hourly rate. The paid lunch period shall not apply to employees working on overlapping shifts. The present schedule of department working hours which do not conform to the regular working hours set forth

herein, shall be continued except as otherwise agreed upon with the Bargaining Committee. At the date of signing of the Agreement these are:

10:00 p.m. to 6:30 a.m. Sunday Thru Thursday  
Paint Booth Cleaners  
Reference letter **No. 21** in letters booklet.

- 203 However, the Company shall have the right to establish regular five-day shifts of Plant Services employees outside the regular hours.
- 204 Working hours outside of the regular working hours schedule may be established for any employee or pool of employees, providing the Company and the Union bargaining Committee are in mutual agreement.
- 205 Senior employees shall have a choice of shifts within their own classification and department when a multiple shift is in effect. Employees must remain on the shift selected for a minimum of forty-five calendar days, except for Skilled Trades employees who must remain on the shift selected for thirty calendar days. All requests must be dated on the proper selection form provided by the Company, and delivered by the employee to his/her department superintendent (or designee) for signature. The superintendent (or designee) will keep a copy of the signed form, and the employee will then deliver a signed copy to his/her union representative and retain a copy. Any such request must be made by the end of the employee's Thursday shift, or Wednesday shift, if Friday is a holiday. Such request shall become effective the following Monday. It is the responsibility of the employee to retain a copy of the form. However, the Company shall have the right to designate employees to be placed on off-shifts for periods of sufficient length to allow new or inexperienced operators to become capable of performing the required work. A senior employee will not be on the off shift for any more than a two (2) week period. This two (2) week period may be extended by mutual consent.
- 206 The Company will put the total number of regular and the total number of overtime hours on an employee's pay cheque stub, also showing grievance and short work week earnings and accumulative totals on earnings, U.I.C., C.P.P. and Income tax.
- 207 8.02 Time and one-half will be paid to all hourly paid and piece work employees for all hours worked in excess of eight (8) hours in any one (1) day or in excess of forty (40) straight time hours in any one week. For the purpose of computing time worked in excess of eight (8) hours in any one day, a day shall consist of twenty-four (24) consecutive hours from the time an employee begins the shift in which the work is performed.  
When the third shift is scheduled to work overtime on a holiday and first or second shift employees work overtime with them as part of their group, either as normal or supplemental operators, these first and second shift employees will receive the same holiday overtime premium rate as the third shift employees receive for all hours worked as part of the third shift group. The twenty-four (24) period referred to in the above paragraph begins for these first and second shift employees when they start the subject shift. This paragraph applies only when two shifts are scheduled to work the holiday.
- 208 An employee who has left the plant premises and returns to work at the request of the Company at a time when he/she is not scheduled to work will be paid as follows:

- 209 (i) An hourly-paid employee will receive his/her straight time hourly rate and any applicable overtime or premium pay for time worked. If the assignment requires less than four (4) hours to complete, he/she may go home after its completion and will be paid straight time for the difference between the time required to complete the work and four (4) hours.
- 210 If an employee is absent for part of a work day by a requirement under any government law and is requested to work overtime on that day, or if any employee is absent by Company direction for part of a shift because of shortage of stock, breakdown of equipment, or other similar reason, or if any employee has been absent on pre-authorized PAA on that day, and is requested to return and work beyond the regular quitting time of that shift he/she shall be paid at the regular overtime rate for all hours worked beyond such regular quitting time. The terms of this paragraph will also apply to a duly elected Union representative who is absent from the plant during his/her regular working hours pursuant to Sections 3.03 and 3.04 provided that the terms and condition of those sections have been complied with. No more than five (5) Union representatives will be eligible under the terms of Section 3.03.
- 211 8.03 Time and one-half will be paid for all work performed on Saturday and double time for all work performed on Sunday except to employees on continuous operations. An employee on continuous operation when Sunday is included within his/her regular five (5) day schedule of work will be paid at the rate of time and one-half. Employees on continuous shifts when required to work on their first off-duty day will be paid at the rate of time and one-half and if required to work on their second off-duty day will be paid at the rate of double time. However, where a shift regularly or by mutual agreement between the Union and the Company starts on a Friday night and finishes on Saturday morning or starts on Sunday night and finishes on Monday morning, such Saturday or Sunday work shall not be paid for at overtime rates. Likewise, where a regular shift starts on the night preceding a designated holiday and finishes on the holiday will not be paid for at overtime rates.
- 212 8.04 Triple time will be paid to all employees who are entitled to designate holiday pay for all work performed on the day of observance of all designated holidays specified in this Article. Double time will be paid to all probationary employees for all work performed on all designated holidays specified in this Article. For this purpose a holiday will commence with the first regular shift and extend for a period of twenty-four (24) hours.
- 213 An employee who works four (4) hours overtime on a Sunday or Statutory Holiday will be paid the same rate of pay for overtime hours worked before his/her normal shift on the immediately following day.
- 214 The Cost-of-Living Allowance shall be taken into account in computing overtime rates where applicable under the provisions of Article 8.
- 215 8.05 A minimum of four hours' pay at the applicable rate will be provided for an employee called in to do emergency work. The employee called in for such emergency work, having completed his/her assignment, will report to the supervisor in charge. If the supervisor has no other emergency work the employee will proceed to punch out.

- 216 8.06 An employee who reports for duty and is sent home because of no work shall be paid for four (4) hours' time at his/her current rate, unless he/she has been previously notified not to report for duty. When there is no work on his/her regular job, an employee may be assigned to other duties, but if so the work must be sufficient to keep the employee occupied for at least the first half of the shift (lunch period break) and the employee shall be paid for such work on the basis set forth in this Agreement. An employee who is required to work overtime on Saturday or Sunday and reports for duty on such day shall be guaranteed a minimum of four (4) hours' work or four (4) hours' pay.
- 217 Report-in pay will not be paid to employees on the second or third shift who return to the plant for Government mandated medical examinations. In these cases the employee will be paid at the applicable rate for the time spent at the plant.
- 218 The Company shall have no obligation under this section where the no-work condition is caused by conditions over which the Company has no control, including fire, storms, flood, failure or insufficiency of electrical or other power, or labour disputes directly involving the Company.
- 219 The Company shall not be liable under this section to an employee who was not at work on the day when notice to report for work would have been given but for such absence.
- 220 8.07 Definitions: Low Hour Operator. The employee with the fewest number of overtime hours to his/her credit or greater seniority if overtime hours are equal, as of the end of the third shift on Sunday (or Monday when Monday is a holiday) of the preceding payroll week.  
Credited Overtime Hours: Equal to those overtime hours worked, asked, and/or contractually assigned. Overtime hours will be recorded as number of hours of pay, for (example 2 hours worked at time and one half-premium equal 3 hours recorded).  
Normal Operator: An operator who normally is a member of the pool and is capable of performing all the work in the pool.  
Replacement Pool Operator: An operator who replaces a normal operator in a Pool.  
Added to the Pool: An operator who is added to assist the pool members or for increased labour.  
"Sign Up" List: A written list where employees register their intention to work as either normal operator or supplemental premium overtime.
- 221 Daily Overtime will be offered in the following order to employees in the pool assigned to the shift on which overtime is being offered:  
Step 1: A low hour normal operator in the pool (including, if applicable, weekend shift employees). Employees who have been added to a pool for the entire shift to replace employees in the classroom training or on special projects will be offered daily overtime prior to employees in the training or the project.  
Step 2: Low hour replacement operator(s) added to the pool to replace an absent employee during the shift.  
Step 3: Low hour employees added to a pool during the shift.  
Step 4: Employees in training or on special projects.  
Step 5: Low hour Supplemental Overtime Operator(s).
- 222 Weekend Shift Overtime on Monday to Thursday:  
If a weekend shift is in effect, employees from this shift will have equal opportunities for

the Monday through Thursday overtime provided they are a normal operator for the overtime assignment. The minimum four (4) hour call-in pay provisions of Article 8.05 and 8.06, paragraph 217 will not apply.

- 223 Premium day overtime (Saturday & Sunday and designated holidays) shall be used to equalize both daily overtime and premium overtime among the operators who normally perform the work in the pool in which the overtime is to be worked.
- 224 Premium overtime will be offered to employees in the following order:  
Step 1: Low hour normal pool operator(s).  
Step 2: Low hour replacement operator(s) in the pool who worked the entire shift directly preceding the premium overtime.  
Step 3: Low hour employee(s) added to a pool that worked the entire shift directly preceding the premium overtime.  
Step 4: Low hour supplemental Overtime Operator(s). **Where premium overtime extends into the next work week, (i.e. the Christmas Shutdown period), steps 2 and 3 of this paragraph will not apply.**
- 225 For individual employees eligibility for overtime is affected as follows:  
Normal Operator: If either Daily or Premium overtime is refused there is no further entitlement to any other overtime opportunity for this period.  
Departmental Supplemental: If an employee fails to sign up for Premium Supplemental overtime or refuses supplemental overtime when offered there is no further entitlement to any other overtime for this period.
- 226 When twelve (12) or less continuous hours of premium overtime are being worked in any one day, the Company will have the option of working either one (1) shift, or two (2) shifts of equal hours that are equalized within one (1) hour.
- 227 When more than twelve (12) continuous hours of premium overtime are being worked in any one day, the Company will have the option of working either two (2), or three (3) shifts of hours that are equalized within one hour.
- 228 When only one (1) premium overtime shift is in effect, the overtime will be offered to the low hour normal operator(s) regardless of their shift, before offering overtime to employees on the supplemental list.
- 229 When two shifts of premium overtime are being worked in an area that normally works three shifts, the overtime will be shared between the employees of the shift being worked and the employees from the shift not being worked. However, the employees who normally work on the shift that the overtime is to be worked must work the overtime on their regular shift. Lowest hour employees from the shift not being worked are entitled to the overtime and may choose either of the shifts by seniority.  
The overtime will be offered in the following order:  
Step 1: Low hour normal pool operator(s).  
Step 2: Low hour replacement operator(s) in the pool who worked the entire shift directly preceding the premium overtime.  
Step 3: Low hour employee(s) added to a pool that worked the entire shift directly preceding the premium overtime.  
Step 4: Low hour supplemental Overtime Operator(s) from the shift being worked.

- Step 5: Low hour Supplemental Overtime Operator(s) from the shift not being worked.
- 230 When working three shifts of premium overtime the overtime will be offered in the following order:  
Step 1: Low hour normal pool operator(s).  
Step 2: Low hour replacement operator(s) in the pool who worked the entire shift directly preceding the premium overtime.  
Step 3: Low hour employee(s) added to a pool that worked the entire shift directly preceding the premium overtime.  
Step 4: Low hour supplemental Overtime Operator(s) from the shift being worked.
- 231 Union Representation During Overtime Hours:  
Daily Overtime: When there are five (5) or more employees working daily overtime in a department or area of representation, their Steward (or Acting Steward) or Alternate Steward (or Acting Alternate Steward should he/she decline) will be asked only if there is no other Union Representation present who is already representing the same department or area from another shift will be asked.
- 232 Premium Overtime: Where there are fifteen (15) or more employees working within a Zone; the Zone Committeeperson or (Acting Zone Committeeperson) shall be asked. Should the Zone Committeeperson refuse then the area Steward (or Acting Steward) will be asked. When more than one shift premium overtime is being worked the appropriate Committeeperson from the shift being worked will be asked. Should the Shift Committeeperson refuse then an appropriate Zone Steward will be asked.
- 233 Committeepersons who are absent for an entire week will not be eligible for the premium overtime immediately following the absence unless:  
A. They are on a full week of prescheduled P.A.A., or S.P.A., vacation or,  
B. They are on Company business and have provided Department Supervision with a phone number where they can be reached.
- 234 Employees (including Union representation) who have refused the previous three (3) normal operator overtime opportunities prior to an overtime violation will not be paid a liability. The Company is still obligated to offer future normal operator overtime opportunities to which the same employee is eligible.
- 235 SUPPLEMENTAL OVERTIME (applies to other than the normal operator). When supplemental overtime is required, the employee whose name appears on the overtime supplemental list which will be posted in the departments affected and who has the least amount of overtime hours, shall be selected to perform such work.
- 236 Departmental Supplemental List: Those employees within a department who have capability to perform overtime work within a pool(s) in their department or in their home department's support of the Final Quality Centre will be given an opportunity every four (4) months to register their intentions with their department Superintendents. The rate of pay for employees supporting the Final Quality Centre will be Grade "E". Employees will be provided with a copy of their registration.
- 237 Plant Wide Final Quality Supplemental List: Those plant wide employees who have the capability to perform overtime work in the Final Quality Centre will be given an opportunity



each four (4) months to register their intentions with the Final Quality Centre Department Head. Their rate of pay will be determined by the classification to which they are working the overtime.

238 Employees who register their intentions for supplemental overtime and are subsequently disqualified, will be told so by supervision at the time the request to be placed on the supplemental list is made. The employee will sign off that he/she has been notified.

239 An employee, who transfers into Department or returns from an absence between Supplemental overtime sign ups, may apply to the departmental Superintendent to be added to the list. Likewise employees who transfer pools within the Department may apply for supplemental overtime in the pool from which the employee transferred.

240 The Company shall be under no obligation to contact an employee who is absent from the plant for the purpose of offering daily Supplemental overtime prior to the following shift.

241 Employees able to work premium overtime are required to "sign-up" indicating they are willing to work any required overtime. The "sign-up" sheet will list the pools available for overtime and employees will "sign-up" under the pools they have previously been accepted to. Employees who have been asked but did not sign up will be coded as "unavailable" for the hours in question. Employees who sign up for overtime and wish to remove their name from the overtime list must notify their supervisor by the first half of their previous shift. Employees who fail to provide timely notice that they are unable to work the overtime previously signed up for, will be charged for hours offered at the applicable rate, plus a penalty of one half of hours offered at the same applicable rate. That is overtime to be paid at one and one half pay rate will be charged as one-quarter time and overtime at double time pay rate will be charged as triple time. Example:

1 hour overtime x 1.5 rate = 2.25 total hours charged

1 hour overtime x 2.0 rate = 3.00 total hours charged

Employees who fail to report for overtime previously signed up for will be credited with the overtime hours and will be subject to appropriate progressive discipline.

242 No employee has an overtime entitlement if:

1. They are absent for the shift in which the overtime is worked on
2. They leave prior to the end of the same shift in which the overtime is worked, or
3. They are not capable of performing all the work in the pool, or
4. They are not capable of performing all the work required, or
5. They are on P.A.A. which abuts the daily overtime, or
6. They are not in their pool work area when the overtime was offered and their Union Steward has been so advised or,
7. They do not "sign-up" for premium overtime.

243 The Company must make a reasonable effort to contact any employee entitled to overtime. Any unsuccessful attempt to reach an employee by telephone must be witnessed by a Union Representative or his/her designate.

244 Whenever possible overtime work shall be scheduled during the regular workweek, Monday to Friday.

- 245 Reference Appendix L, Voluntary Overtime, Memorandum of Understanding.
- 246 Overtime work on Saturday and/or Sunday shall be performed on a voluntary basis, except where mandatory overtime has been invoked by the Company, per Letter **No. 66**. When qualified employees are not available on a voluntary basis, the Company shall have the right to assign employees with the least seniority provided they have not worked forty-four (44) hours in that work week or they have not been exempted from weekend overtime work by the provisions of the memorandum of understanding on “voluntary overtime.”
- 247 Except in cases of emergency, the Company will give notice of required scheduled overtime at least forty-eight (48) hours prior to such scheduled overtime.
- 248 Determination of Low Hour: Each department shall keep overtime records for each employee in the department. These records shall be posted in a conspicuous place in the Department. There may be three overtime records for each employee. They are as follows: Normal Operator Overtime, Departmental Supplemental Overtime, and Plant Wide Final Quality Supplemental.
- 249 Credited Overtime Hours  
All normal operator overtime hours worked, refused, or overtime for which the employee is unavailable (normal operator record). All overtime worked outside the Department (normal operator record). All Department Supplemental overtime worked and/or refused or overtime for which the employee is unavailable (Department Supplemental record). All overtime worked as part of the Plant Wide Final Quality Supplemental Record).
- 250 Employees who are on light duty, or absent (for any reason, such as due to vacation, disability benefits, bereavement, etc.), will be credited (on the appropriate overtime record) for overtime hours, which they were eligible to work on such days.
- 251 All hours related to overtime grievance settlements, will be credited at the time of the grievance settlement if the grievance and settlement occur in the same calendar year. When a Superintendent and Union Committeeperson reach agreement to pay a grievance liability it is expected that the Superintendent will enter the grievance liability settlement into the payroll system by the end of the first pay period. In any case, the settlement will be put into the payroll system by the end of the second full payroll period.
- 252 All credited overtime hours will be reset to zero annually on the first overtime report issued after the scheduled Christmas/New Year holiday shutdown.
- 253 Employees, who transfer to a new Department, change shifts, or transfer within a Department will retain any overtime hours to their credit.
- 254 Newly hired employees and employees returning from laid-off (not a temporary or partial shutdown), for more than thirty days, will be credited with the amount of overtime hours equal to the average of all employees within the classification and labour group they are entering. The Zone Committeeperson and the Departmental Superintendent will first agree that the overtime record is up to date. The Committeeperson will then make the calculation and advise the Superintendent in writing of the averages to be applied to each

- labour group. The Company will not be held liable in the event of any kind of error relating to this initial crediting of overtime hours.
- 255 Upon written application to the departmental Superintendent an employee who changes pool within a department may apply for supplemental overtime in the pool previously worked.
- 256 Supplemental overtime hours worked or refused will be credited against the employee(s). The Company shall be under no obligation to contact an employee on the supplemental overtime list who is absent from the Plant, for the purpose of offering daily overtime prior to the following shift.
- 257 8.08 Managerial employees, and Technical Specialists excluded from the bargaining unit, will not perform work which is normally performed by members of the bargaining unit, except:
- (a) When instructing employees.
  - (b) For try-out of equipment or methods.
  - (c) For their own training.
  - (d) For reviewing design related problems. However, even in the application of (a) through (d) above, bargaining unit employees will not be replaced by non-bargaining unit people.
- 258 8.09 Effective with the first full pay period commencing on or after the date of ratification of this Collective Agreement, all hourly paid employees performing work during second or third shift hours will be paid six percent (6%) over and above their hourly rate earnings, but such premium shall not be taken into account in computing overtime remuneration.
- 259 8.10 Each employee who performs no work on one of the holidays listed in **Letter 6**, shall be paid according to those hours listed in **Letter 6** computed on the basis outlined elsewhere in this section, excluding overtime and including shift bonus provided he/she meets all of the following eligibility rules:
- 260 (i) Employee shall have completed the probation period and acquired seniority under the provisions of Article VII.
- 261 With respect of a holiday not falling within the Christmas holiday period, the employee shall have reported for work in the regular manner and shall have worked a full shift on the last work day immediately before and the first worked day immediately after such holiday unless such requirement is waived under the terms and conditions hereinafter set forth.
- 262 (a) Absence for part of the shift on qualifying days may be allowed under the following conditions:
- 263 (1) Employees may be excused for part of the shift on qualifying days because transportation problems in connection with leaving or returning to the city, or because of emergency conditions which may be considered beyond the reasonable control of the employee.

- 264 (2) Tardiness on qualifying days if not in excess of one hour will be excused if reason for such tardiness is reasonable.
- 265 (3) Employees may leave the plant before the end of the shift on a qualifying day because of illness if permission has been secured from the plant doctor or nurse.
- 266 (4) Committeepersons, Local Union Executives and the Plant Chairpersons as per Article 3, Section 3:03.
- 267 (5) Approved leaves of absences as per **Letter 124 & Letter 125**, re Port Elgin and Paid Education Leave.
- 268 (6) Disciplinary suspensions
- 269 (7) Approved Bereavement Leave as per Article 8, Section 8:11.
- 270 (8) Jury duty or witness in court.
- 271 (9) Approved Leave
- 272 (b) Absence for the entire qualifying shift will be allowed under the following conditions:
- 273 (1) Personal disability, other than Worker's Disability confirmed by suitable medical evidence, providing the employee has worked some time within the thirty (30) calendar day period immediately preceding the holiday, or works on the second qualifying day if returning from a disability which prevented him/her from working on the first qualifying day.
- 274 (2) Jury duty or witness in court.
- 275 (3) Scheduled vacation
- 276 (4) Emergency conditions considered to be beyond the reasonable control of the employee.
- 277 (5) Layoff on account of no work, providing the employee has worked any part of the work week immediately preceding the holiday.
- 278 (6) Committeepersons, Local Union Executives and the Plant Chairpersons as per Article 3, Section 3:03.
- 279 (7) Approved leaves of absences as per **Letter 124 & Letter 125**, re Port Elgin and Paid Education Leave.
- 280 (8) Disciplinary suspensions
- 281 (9) Approved Bereavement Leave as per Article 8, Section 8:11.
- 282 (10) Approved Leave

283 Employees will be limited to a period of three (3) weeks in which to submit medical evidence as to their inability to work on their qualifying days because of sickness or injury, unless there is reasonable evidence that such was not possible.

284 HOLIDAY SCHEDULE

<i><b>HOLIDAY</b></i>	<i><b>2002-2003</b></i>	<i><b>2003-2004</b></i>
<b>Canada Day - Monday (taken as PAA or paid)</b>	<b>June 27 (5.0) June 30 (8.0)</b>	
<b>Civic Holiday - Monday</b>	<b>Aug. 2 (5.0) Aug. 5 (8.5)</b>	<b>Aug. 1 (5.0) Aug. 4 (8.5)</b>
<b>Labour Day – Monday</b>	<b>Aug. 30 (5.0) Sept. 2 (8.5)</b>	<b>Aug. 29 (5.0) Sept. 1 (8.5)</b>
<b>Canadian Thanksgiving Monday</b>	<b>Oct. 14 (8.5)</b>	<b>Oct. 13 (8.5)</b>
<b>Christmas Holiday Period</b>	<b>Dec. 24 (8.5) Dec. 25 (8.5) Dec. 26 (8.5) Dec. 27 (5.0) Dec. 30 (8.5) Dec. 31 (8.5) Jan. 1 (8.5)</b>	<b>Dec. 24 (8.5) Dec. 25 (8.5) Dec. 26 (5.0) Dec. 29 (8.5) Dec. 30 (8.5) Dec. 31 (8.5) Jan. 1 (8.5)</b>
<b>Easter Thursday</b>	<b>Apr. 17 Work (4.5) Off (4.0)</b>	<b>Apr. 8 Work (4.5) Off (4.0)</b>
<b>Good Friday</b>	<b>Apr. 18 (5.0)</b>	<b>Apr. 9 (5.0)</b>
<b>Victoria Day - Friday</b>	<b>May 16 (5.0) May 19 (8.5)</b>	<b>May 21 (5.0) May 24 (8.5)</b>

285 During the 1990 negotiations an additional twenty-four (24) hours of holiday time off, will be scheduled each calendar year, to be taken in accordance with **Letter 6**.

286 In the event that Government Legislation compels observance of a holiday not designated herein, such holiday shall be substituted for one of the other designated holidays.

287 In the case of the Christmas Holiday Period (see **Letter 6**), a seniority employee:

288 \*Absent without excuse on either the last scheduled working day to and the next scheduled working day after the Christmas Holiday period shall be ineligible for holiday pay for all holidays within the Christmas Holiday Period.

289 \*Absent without excuse on either the last scheduled working day prior to or the next scheduled working day after a Christmas Holiday Period shall be ineligible for two (2) of the Holidays for which he/she would otherwise be eligible in the Christmas Holiday Period.

290 \*An employee who is laid off for any reason in the first, second, third, fourth, workweek prior to the week in which the Christmas Holiday period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period, providing the

employee works the last scheduled work day prior to the layoff.

291 \*An employee who is laid off for any reason in the fifth, sixth or seventh workweek prior to the week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period, providing the employee works the last scheduled work day prior to the layoff.

292 The requirement to work the above qualifying days for the Christmas Holiday Period will be waived consistent with the terms and conditions of 8.10 (ii) (a), 8.10 (ii) (b) and other provisions of Article 8 of this collective Agreement.

293 No employee shall be eligible for a Short Work Week Benefit under the Supplemental Unemployment Benefit Plan as a result of his/her not having been scheduled to work during the Christmas Shutdown Period.

294 Pay for the holidays not worked will be made on the following basis:

295 Hourly employees will be paid at their regular rate in effect at the time of the holiday.

296 If an employee is absent under item 1 above and is eligible for Group Sickness and Accident benefits for the designated holiday, he/she will be paid any difference between such benefit and pay for such designated day.

297 8.11 (a) When death occurs in his/her immediate family, the employee, on request, will be excused, and after making written application therefore, receive payment for the number of normally scheduled days of work as indicated below, provided the employee attends the funeral:

ENTITLEMENT TO:

<i>FOUR DAYS</i>	<i>THREE DAYS</i>	<i>ONE DAY</i>
Spouse Son or daughter Parent Sister or brother	Stepparent Grandparent Stepchild Grandchild Stepparent of a Spouse Grandparent of a Spouse Parent of a Spouse Stepbrother Stepsister Halfbrother Halfsister Son-in-law Daughter-in-law	Current Sister or Brother – in-law

298 In the event that the date of burial does not occur within the normally scheduled days of work immediately following the date of death, an employee will be excused for the appropriate number of normally scheduled days of work, not necessarily consecutive, after the date of death. Under no circumstances will an employee be entitled to more than four days of bereavement pay. In the event the body of a member of the employee's' immediate family as above defined is not buried in Continental North

America solely because the cause of death has physically destroyed the body or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

299 (b) An employee on vacation during the annual Chatham Assembly Plant's' annual Summer Vacation Shutdown(s) will be entitled to bereavement leave as outlined in Letter **No 31**.

300 An employee on his/her scheduled vacation leave who experience a bereavement, will be entitled to schedule the appropriate bereavement (time and pay) directly following the scheduled vacation.

301 If an employee experiences a bereavement, during the scheduled Christmas holiday period, he/she will be entitled to the appropriate bereavement (time and pay) after his/her scheduled return to work.

302 If an employee experiences a bereavement prior to the scheduled Christmas holiday period, he/she will be entitled to the missed balance of the appropriate bereavement (time and pay) upon his/her scheduled return to work.

303 (c) For purpose of this section a "spouse" will be defined to be the legally married partner of the employee unless the employee has otherwise designated a common-law partner. An employee can only designate one spouse for purposes of bereavement eligibility.

304 8.12 If an emergency requires an employee to work through the regularly scheduled mid shift luncheon period, he/she shall be paid the applicable rate for that shift and in addition a premium of one-half his/her straight time rate for the appropriate lunch period. The appropriate lunch period (1/2 hour unpaid or the 18 minute paid) shall be scheduled at some other time in the shift.

305 8.13 When an employee is required to work overtime without having been so advised on the previous shift, he/she shall be paid \$5.00 as a supper allowance if the overtime work lasts more than two (2) hours. If overtime work is expected to last more than three (3) hours he/she shall be paid the supper allowance and given one-half hour supper break for which he/she shall not be paid. Supper Allowance payments will be included on the employee's pay cheque the following week.

306 When the employee has been notified on the previous shift he/she shall be expected to provide his/her own supper.

## **ARTICLE 9 – SAFETY AND SANITATION**

307 9.01 The Company agrees to continue to furnish healthful working conditions at all time and to provide adequate modern devices with regard to safety and sanitation. Whatever machinery and equipment the Company furnishes shall meet with all required legal standards of safety and sanitation. Any recommendations or complaints under this article will be subject to the grievance procedure. The Union agrees that it will endeavor to have its members observe all safety rules. Any recommendations or complaints related to this Article must be reviewed by the Plant Joint Health and Safety Committee before being submitted to the Grievance Procedure. Should the Plant Joint Health and

Safety Committee be unable to resolve a complaint under this Article, it may be put in writing and submitted to Labour Relations at the 2<sup>nd</sup> step of the Grievance procedure. The Company and the Union will schedule a 2<sup>nd</sup> Step meeting for these grievances within 30 days of their receipt by the Company at 2<sup>nd</sup> Step.

- 308 9.02 The Plant Joint Health and Safety Committee will be composed of two (2) Union Representatives and two (2) Management Representatives and will meet on a monthly basis. This joint committee will review all ongoing business pertaining to the S&H activities in the Chatham Plant of Navistar and will be considered as one and the same as the Committee provided for in the current Ontario Occupational Health and Safety Act. It is in part the function of the committee to:
- 309 (a) identify situations that may be a source of danger or hazard to employees;
- 310 (b) make recommendations to the Company and employees for the improvement of the health and safety of employees;
- 311 (c) recommend the establishment, maintenance and monitoring of programs, measures and procedures respecting the health and safety of employees;
- 312 (d) obtain information from the Company respecting
- 313 the identification of potential or existing hazards of materials, processes or equipment, and
- 314 (ii) health and safety experience and work practices and standards in the same or similar industries.
- 315 (e) keep minutes of monthly safety meetings and mutually agree upon content by initialing same.
- 316 (f) review Ministry of Labour reports at monthly meetings
- 317 (g) obtain information from the Company concerning the conducting or taking of tests of any equipment, machine, device, article, thing, material, or biological, chemical or physical agent in or about a workplace for the purpose of occupational health and safety; and
- 318 (h) be consulted about, and have a designated member representing workers to be present at the beginning of testing referred to in clause (g) conducted in or about the workplace if the designated member believes his/her presence is required to ensure that valid testing procedures are used or to ensure that the test results are valid.
- 319 In addition, a Plant Safety Inspection Committee will be composed of the Plant Safety Coordinator (or his/her replacement), the Head of the Department being inspected and the two (2) Union representatives from the Plant Joint Health and Safety Committee, along with the Zone or Sub-Zone Steward of the area being inspected. They will conduct inspection tours in accordance with a schedule agreed upon by the Company and the Plant Joint Health and Safety Committee. This inspection committee, in order to resolve technical questions, may call an appropriate skilled tradesman upon their reaching



mutual agreement that such technical advice is required.

- 320 Recommendations agreed to and documented by the Safety Inspection Committee will normally be acted upon within thirty (30) days of the report being made. However, it is recognized by both parties that, on occasion, action may be delayed due to unusual circumstances. In the event a circumstance arises where action is delayed the Company will provide, any relevant information pertaining to estimated completion dates at the monthly Joint Health & Safety meetings; when necessary, extensions will be granted with mutually agreed completion dates.
- 321 9.03 Safety Problem Resolution Procedure: In the event that an employee believes that a hazardous condition exists in his/her work area, he/she will contact his/her supervisor, if the supervisor fails to satisfactorily resolve the problem, the employee will ask his/her supervisor to call his/her Steward to discuss the problem further.
- 322 If the problem is still unresolved, the Department Head will call the Plant Safety Coordinator, who, in company with the Plant Safety Chairperson or his/her alternate, or **Off-shift** safety representative or his or her alternate, or third shift Committeeperson (whichever is applicable) will make a decision on the problem.
- 323 9.04 The Company will notify the Plant Safety Chairperson or his/her designated safety alternate of all accidents, which require the filing of a W.S.I.B. Form 7. Copies of the Form 7 will be forwarded to the Plant Safety Chairperson. Any other correspondence from the W.S.I.B. will be made available upon the request of the said Chairperson.
- 324 In the event of a W.S.I.B. appeal, the Supervisor's Accident Investigation Report (for that appeal) will be available to the Plant Safety Chairperson.
- 325 The Plant Safety Chairperson will have the opportunity to investigate all lost time industrial accidents or industrial accidents, which result in an employee being reassigned to light work because he/she is unable to perform his/her normal duties.
- 326 The Plant Safety Chairperson will be notified immediately in the event of a fatality or a critical injury (defined in the Ontario Regulation #834, formerly O. Reg. 714/82), including the loss of a finger or toe that results from work related accidents.
- 327 The National Union will be notified promptly in the event of a fatality or a critical injury resulting from work related accidents.
- 328 The Company will advise the Plant Safety Chairperson of significant incidents that do or do not involve bodily injury, as part of a continuing effort to improve the safety performance of the plant.
- 329 9.05 The Company will supply, without cost to the employee safety glasses. The Company will also supply, without cost to the employee, hearing protection (muffs or plugs), as required by the Occupational Health and Safety Act and Regulations for Industrial Establishments.
- 330 Gloves and coveralls will be provided, at no cost to the employees in areas as determined by the Industrial Engineering Department. Gloves will be provided on a one-

pair-for-one-pair exchange basis as the gloves wear out. With reference to existing coveralls in the plant, the Company agrees to maintain status quo on the same. If a dispute arises as to whether or not a need for coveralls exists, the Union, along with the Manager of Industrial Engineering or his/her designee, shall conduct an investigation in the plant in order to arrive at a mutual agreement as to the issuance or non-issuance of coveralls.

- 331 9.06 It is agreed that a CAW National Union Safety Representative, who is familiar with Canadian Safety Law, will be permitted, with advance arrangements, to participate in safety inspections as required at the Chatham Plant in company with Union and Management representatives.
- 332 9.07 The Plant Safety Chairperson will accompany Safety & Occupational Health Representatives from the Government on inspections and tests resulting from specific call-in complaints. The Chairperson will also accompany the Representatives on routine inspection.
- 333 9.08 The Company will disclose, upon request of the Plant Safety Chairperson, the identity of any known harmful chemicals, materials or physical agents to which employees are exposed, including any information regarding remedies and antidotes for such chemicals.
- 334 The Company will continue the practice of posting on location, signs identifying safety hazards. Copies of individual data sheets will be provided to the Plant Safety Chairperson based upon specific identified requirements.
- 335 9.09 The Company will provide training for the two (2) union members of the Plant Joint and Safety Committee and a Second and Third Shift Union Representative in how to use Company equipment for testing of noise, air contaminates, air flow and light levels. This equipment will be kept updated and functional. The Plant Safety Chairperson will be provided with access to this equipment and reference material.
- 336 The Company will provide the opportunity to the two (2) members of the Plant Joint Health and Safety Committee to be present at the initial presentation on safety, including films, to employees. The Plant Safety Chairperson and **Off-Shift Safety Chairperson** will be afforded the opportunity to pre-screen Company Safety Training Programs and make recommendations concerning such program.
- 337 9.10 The Company, when conducting tests in the plant, will advise the Plant Safety Chairperson of the results of such test.
- 338 Whenever a physical examination or laboratory test has been made for the Company, a report thereof will be given to the personal physician of the employee involved upon the written request of such employee. A written report of the results of laboratory tests, x-rays and audiometric tests will be given to an employee upon his/her request.
- 339 9.11 The Company and the Union acknowledge and agree to comply with the provisions of The current Occupational Health and Safety Act, and any amendments thereto. If the Company disputes the report referred to in Section 43 (4) of the Act, or if the Company takes steps to remedy the unsafe condition, the Union Safety Committee Chairperson or

**Off-Shift** safety representative or Third Shift Committeeperson (whichever representative is applicable) and the Company Safety Co-Ordinator shall make a thorough review of the matter. If the findings of the Plant Safety Chairperson or **Off-Shift** safety representative or Third Shift Committeeperson (whichever representative is applicable) and the Safety Coordinator mutually sustain the Company position as the result of this investigation, this mutual sustainment will be communicated to the employee by the Supervisor, after which, the employee may be instructed by his/her supervisor to return to his/her work place and resume his/her normal duties. Where, following the investigation or any steps taken to deal with the circumstances that caused the worker to refuse to work or do particular work, the worker has reasonable grounds to believe that any of the causes referred to in Section 43 (6) of the Act continues to be likely to endanger himself/herself or any other worker, the worker may refuse to work or do the particular work and the Company or the worker or a person on behalf of the Company or the worker shall cause an inspection to be notified thereof

- 340 9.12 The Company will recognize an alternate who will be appointed from within the bargaining unit by the Union. The Company will be notified, in writing, as to the name of the alternate and he/she will be allowed to function as same, for a length of time equal to the term of office of the Chairperson. The alternate will only function when the Chairperson is absent from the premises **or for on-site training conducted by an outside trainer that the Chairperson is involved in. Under these circumstances, no overtime will be utilized to replace the Chairperson's alternate or the alternate's replacement.**
- 341 9.13 Whenever it is determined that an employee has had personal exposure exceeding the limits set forth in the Ontario Occupational Health and Safety Act or it's Regulations, such information shall be entered in the employee's medical record. The Joint Safety Committee shall be informed, in writing, of such exposure. The plant Medical Department shall advise the employee. The Union Chairperson of the Plant Joint Safety Committee shall also be informed of the corrective action to be taken.
- 342 9.14 Upon request, the Plant Joint Health and Safety Committee shall be provided with copies of photographs taken which relate to Health & Safety matters in the Plant. Such photographs shall be for the confidential use of the Plant Joint Health and Safety Committee and shall not be reproduced, published or distributed in any way.
- 343 9.15 The Plant Safety Chairperson will receive copies of all Human Resources Department Safety Bulletins.
- 344 9.16 The Plant Safety Chairperson will be supplied with an office, telephone, desk and file cabinets.
- 345 9.17 When necessary, the 2<sup>nd</sup> Shift Committeeperson, Third Shift Committeeperson, and/or Skilled Trades Committeeperson will be allowed to attend monthly safety meeting.

**The responsibility to work in a safe and ergonomically sound manner resides with all International employees. With this in mind, ergonomic issues will be addressed in the following manner: (a) working with the employee involved, the supervisor and the Union Steward of the area will review the issue and attempt to resolve it, (b) if the issue is not resolved, it will be referred to the Company**

**Ergonomics Representative, the CAW Ergonomics Representative, Industrial Engineer, Process Planner and Manager Manufacturing Services or designate for analysis and resolution.**

346 9.18 Safety Shoes: Employees are eligible for a reimbursement of fifty dollars (\$50.00) for one pair of safety shoes each fiscal year. For employees working in and holding the following classifications; 81-G, 149-G, 61-C, fifty dollars (\$50.00) (up to two pairs each fiscal year) will be reimbursed for each pair of safety shoes purchased. For employees working and holding the following classifications; 34-K, 37-K, 39-K, 47-K, 49-K, 52-K, 53-K, 84E-K, and 070-J, one hundred and fifty dollars (150.00), will be reimbursed for one pair of safety shoes each fiscal year. To be eligible for reimbursement an employee must purchase a new pair of safety shoes and present the receipt for such purchase to the Plant Safety Department.

### **HEALTH AND SAFETY IMPROVEMENTS**

- 347 9.19 (1) The plant washroom will be cleaned and serviced prior to each shift. The plant Chairperson will be supplied a list identifying the department responsible for cleaning the washrooms on each shift.
- 348 (2) Lights in the plant will be cleaned and serviced as required.
- 349 (3) Water fountains will be added to the plant upon the recommendation of the Plant Joint Health and Safety Committee.
- 350 (4) Washroom toilet stall dividers will be painted upon the recommendation of the Plant Joint Health and Safety Committee.

### **HEAT SICKNESS**

- 346 9.20 It is agreed that a person who claims he/she is unable to work because of heat prostration, will be excused from work in the same manner as any other employee who suffers an illness at work.
- 347 He/she shall report to the First Aid Department, and if it is determined that he/she is unable to work, he/she will be given a gate pass to go home.

### **ARTICLE 10 - VACATIONS**

- 348 10.01 (a) An employee who has established the required service indicated in Column 1 by September 30 for the current year and who has at least eight hundred and seventy-seven (877) compensated hours to his/her credit during the vacation work year (June 1<sup>st</sup> – May 31<sup>st</sup>) will receive a vacation and vacation pay as shown in Column 2 and 3 of the Schedule shown below, based on such required service. **Pay for Paid Absence Allowance (P.A.A.) and Special Paid Absence (S.P.A.) is deemed to be vacation pay.** The Company will annually provide the Chairperson with a list of all employees who

have not attained eight hundred and seventy-seven (877) compensated hours on April 30<sup>th</sup>.

349 A vacation for an employee who does not have eight hundred and seventy-seven (877) compensated hours to his/her credit in the vacation work year will be as shown in Column 2, but vacation pay will be calculated on the applicable percentage of earnings as shown in Column 4, excluding overtime premium and shift bonus except where mandatory under Provincial Government regulations.

350 (b) An employee who is entitled to less than a full week of vacation money will be entitled to schedule, in accordance with the provisions of this Article, full days vacation up to a full week of vacation for such partial week. No partial days of vacation will be permitted. Such vacation must be taken on consecutive work days, and any days vacation beyond the days for which he/she is paid will be considered an authorized absence from work. In all cases, however, an employee will be required to take his/her full vacation entitlement up to the amount of the vacation period if one is scheduled under Section 10.09 of this Article and he/she is not scheduled to work during such vacation period.

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
Service as Of Sept. 30	Vacation	Full Vacation Pay	% of earnings
1yr but less than 3	2 weeks	80 x hourly rate	4%
3yrs but less than 10	3 weeks	120 x hourly rate	6%
10yrs but less than 20	4 weeks	160 x hourly rate	8%
20 yrs or more	5 weeks	200 x hourly rate	10%

Excludes overtime premium, but includes Cost-of Living Allowance and shift bonus paid at time vacation is taken.

356 10.02 Employees having ten (10) or more years of vacation service by September 30 of any current calendar year and who were active in service during some part of the vacation work year, but who were unable to work a total of eight hundred and seventy-seven (877) compensated hours because of absence due to extended illness or injury, will be paid full vacation pay based on their entitlement under Section 10.01. These employees must also have achieved at least thirty-nine (39) compensated hours during the same vacation year.

357 10.03 No employee will be penalized in connection with his/her vacation attendance record for any days lost as the result of an injury arising out of or in the course of his/her employment with the Company, provided the employee has worked sometime in that same vacation work year, and, has achieved at least thirty-nine (39) compensated hours during the vacation work year. No employee will be penalized in connection with his/her vacation attendance record for days lost due to temporary layoffs caused by strikes or other interruptions to production of a temporary nature where the employee is not formally separated from the pay-roll.

358 10.04 This vacation plan shall not change vacation service credits compiled on the basis of former plans. Service for this plan shall be the same as service for seniority purposes, as provided in Section 7.04 and continuity of vacation service shall be considered broken under the conditions outlined in Section 7.04, subsections (a) through (j).

359 10.05 Vacation pay for employees who qualify for full vacation pay (Column 3) will be

computed on the basis of their regular earnings, including cost of living and shift premium where applicable, but excluding overtime from the last pay period at the time the vacation is taken.

- 360 The Reference to “80 times”, “120 times” etc., used above in Column 3 are based on a normal working week of forty (40) hours. In the event that the normal weekly working hours of an employee are changed, vacation pay will be computed on the basis of the hours normally being worked.
- 361 10.06 When one of the designated holidays referred to in Article 8 or **Letter 6** falls within an employee’s vacation schedule such employee shall be automatically credited with the equivalent hours in the form of P.A.A. as outlined in **Letter 6**, with pay, to be taken (in increments of not less than four (4) hours) and scheduled within that departments P.A.A. allotment, or the employee may elect to receive holiday pay for such day as though he/she were not on vacation. In the event that an employee’s remaining P.A.A. is less than four (4) hours, he/she will be paid the amount owed in the earliest possible pay period.
- 362 10.07 Vacation pay for an employee other than referred to in Section 10.05 whose service is terminated or who is laid off prior to the end of the vacation work year and who has not at least 877 compensated hours to his/her credit during the vacation work year will be made on the basis of the respective percentage of earnings during the vacation work year depending on his/her service as detailed in article 10.01. An employee whose service is terminated after May 31 of a current year and prior to having taken his/her vacation and who has at least 877 compensated hours during the vacation work year to his/her credit will be paid full vacation pay based on his/her entitlement under Art. 10.01.
- 363 An employee who is laid off because of no work and has at least 877 compensated hours during the vacation work year to his/her credit will be paid full vacation pay based on his/her entitlement under Section 10.01.
- 364 An employee who terminates service or is laid off because of no work after June 1 of any calendar year and prior to his/her vacation period will receive vacation pay in cash for the expired vacation work year and for that portion of the new vacation work year beginning June 1 during which he/she was employed.
- 365 A vacation payment made to an employee under this section shall not be considered as extending the employee’s period of service beyond the last day he/she performs work for the Company.
- 366 10.08 (a) Eligible employees who schedule their vacation at the start of the calendar year immediately following a Christmas shutdown for retirement purposes, do not have to work in the calendar year to qualify for such vacation pay.
- 367 (b) Vacation pay for employees who become deceased prior to vacation being taken will be paid to the estate of the deceased employee and will be computed on the same basis as for terminated employees.
- 368 10.09 The Company agrees to close the plant at a time suitable to the needs of business during the months of July and/or August to enable employees to take vacations of two to

three weeks. Such vacation shutdown(s) may at the Company's option, be split into two (2) separate periods. That is, a two (2) week shut-down, and a one (1) week shutdown. These weeks can be extended into the months of June or September providing at least some portion of each week falls into the months of July and August. In order to provide sufficient time for employees to make vacation arrangements, the Company will post vacation shutdown dates for the two or three weeks' period no later than December 1 of the previous year.

- 369 At the time the notice designating the two or three weeks' shutdown period(s) is posted, each employee who is entitled to additional week(s) beyond the designated shutdown period(s) shall be supplied with an appropriate form in duplicate on which he/she shall identify the additional week(s), if so entitled, during which he/she desires his/her vacation. He/she shall retain one copy of the form for his/her own record and submit the second copy to his/her Supervisor not later than January 15<sup>th</sup>. The Supervisor shall arrange the vacation schedule for his/her department giving preference to the desired vacation weeks in accordance with the seniority of the employees affected. In the event the main chassis line is on a two shift operation, separate vacation scheduling by shifts will be implemented in every department. Such schedule shall be posted by the Supervisor in the department not later than, February 1 and each employee will be notified of his/her additional weeks by the department Supervisor who will initial the employee's vacation form. Such employees scheduled on vacation will be given a minimum of two weeks' notice.
- 370 In the event that not all employees requesting vacation at a particular time can be permitted to take vacation at such time because either (1) the number requesting a particular week is too great, or (2) the service of some employees requesting such vacation time are needed to meet production requirements, the employees who cannot be scheduled for such vacation time will be permitted to identify an alternate period in accordance with their seniority. Vacations may not be divided into periods of less than one (1) week, except as provided in Art. 10.10, or be postponed from one year to another.
- 371 Pre-scheduled vacation week(s) will remain as originally scheduled should the plant be partially or totally shutdown outside of the annual vacation shutdown period.
- 372 Employees may move unused vacation week(s) in excess of those required for the annual vacation shutdown(s) into those week(s) containing a plant shutdown.
- 373 Maintenance employees and others whose services are required during the shutdown period(s) will be so notified and given the opportunity to identify the week or weeks, (if entitled to more than one (1) week), during which he/she desires his/her vacation. Up to fifty (50) percent of the Plant Services cleanup crew (3-B) may opt out of working a single annual vacation shutdown, or, the two (2) week portion of split vacation shutdowns. In no case will any employee be forced to work all three (3) weeks of split vacation shutdowns.
- 374 If after having identified his/her vacation time for his/her additional weeks, an employee desires to alter his/her vacation, he/she shall be given the choice of open weeks during which his/her services can be spared. In no such event shall he/she have the right to displace another employee from his/her vacation time.
- 375 An employee who qualifies for a Sickness and Accident benefit while on scheduled

vacation (excluding P.A.A. absence) may return the vacation pay and collect Sickness and Accident benefit, thereby deferring the vacation for a later available date or, accept the vacation pay and not be entitled to additional time off later. In either case, the employee cannot collect both.

- 376 An employee who is transferred from one department to another after vacation assignments have been made in the department for which he/she was transferred, will retain his/her vacation time unless it is necessary in view of production requirements to change his/her vacation time. Employees will be notified of the necessity to change no later than four (4) weeks prior to the scheduled vacation or at the time they enter the department if less than four (4) weeks. In those cases where it is necessary to change vacation time, the employee involved will be given the opportunity to state his/her preference of unassigned vacation time during which his/her services are not needed to meet production requirements. The Company agrees that no less than one (1) percent of the total actively employed factory employees may be absent at any one time under the terms of this section to take vacation entitlement in excess of two weeks.
- 377 10.10 Active employees who have at least one year of seniority by May 31<sup>st</sup> of the current year will be eligible for a vacation bonus payment of \$900.00. The vacation bonus will be equally divided by the number of weeks of vacation eligibility (excluding P.A.A. conversion) due to the employee and will be paid out to the employee as part of his/her vacation cheques. Employees who qualify for only a portion of their full vacation with pay entitlement will receive an equal portion of this \$900.00 payment. Employees on layoff, weekly sick and accident benefits, or full Worker's Compensation benefits who qualify for vacation, and are subsequently reinstated to the active roll in the same calendar year will be paid the special payment, either at the time they take their vacation or at the end of the calendar year. Employees on layoff, weekly sick and accident benefits, or full Worker's Compensation benefits, who qualify for vacation and do not return to the active roll during the same calendar year, will be paid the special payment, either at the time they are paid their vacation pay or at the end of the calendar year.
- 378 10.11 (a) Notwithstanding any other provisions of the Agreement to the contrary, one week of vacation (40 hours) as set forth in Section 10.01 of this Article, will be available for Paid Absence Allowance, and shall be made available to each eligible employee. To be eligible, an employee must have the required vacation service by May 31<sup>st</sup> of the current year and qualify for more than 2 weeks of vacation with pay under Section 10.01 of this Article. Such Paid Absence Allowance shall be granted to each eligible employee for the use in the calendar year in accordance with the provisions of paragraph (c) herein, providing he/she notifies the Company in writing on or before the first regular work day following the Christmas Holiday period of his desire to receive Paid Absence Allowance under Paragraph (b) 2. Such selection shall be irrevocable after that date.
- 379 Requests for P.A.A. during the first week in January may be scheduled in the month of November on a first come, first served basis.
- 380 Requests to schedule P.A.A. for the balance of the year may be made in the first regularly scheduled work day after the Christmas Holiday period. Departmental Superintendents will be given up to 72 (seventy-two) hours after the subject day to process these requests, and advise the applicants of their status.



381 Employees who have 20 (twenty) or more years of vacation service, will have the option of converting a second week of vacation into P.A.A., providing they notify the Company of their desire to do so on or before the first regular work day following the Christmas Holiday period. Employees who schedule this option must schedule the 40 (forty) hours of P.A.A. in increments of not less than one full production shift by January 15, (except for skilled trades employees). These employees with twenty (20) or more years of service may cancel their P.A.A. election, or prescheduled P.A.A. by January 15, if they were unable to schedule all of their selections. No other cancellations of P.A.A. booked under this paragraph will be allowed except for the following: a) a legitimate Sickness and Accident, Worker's Compensation or Bereavement Leave or b) an employee may choose to cancel P.A.A. prescheduled for a Friday or Monday that abuts to a scheduled mandatory Saturday overtime shift, in the event that the Saturday mandatory overtime shift is scheduled after the employee has scheduled his/her P.A.A.

382 P.A.A. not scheduled on the first day after the Christmas holiday period may be scheduled on a first come, first served basis.

383 An employee who returns from disability or layoff after December 15 will be given one (1) week from his/her return-to-work date to notify the Company in writing of his/her desire to receive Paid Absence Allowance. Such selection shall be irrevocable after that date.

384 Employees eligible for vacation are also entitled to the following hours of P.A.A.:

- 4 hours for employees with two (2) to three (3) years of service
- 12 hours for employees with three (3) or more years of service

385 Employees who have one or more years of seniority on the eligibility date will be entitled to Special Paid Absence (S.P.A.) provided they have worked in the twenty-five weeks prior to the eligibility date and are actively at work during the S.P.A. period. There are three (4) periods of (S.P.A.) during this Collective Agreement:

ELIGIBILITY DATE	S.P.A. PERIOD
<b>February 25, 2002</b>	<b>May 20, 2002 – Dec. 22, 2002</b>
<b>Dec. 23, 2002</b>	<b>Jan. 6, 2003 – June 27, 2003</b>
<b>July 6, 2003</b>	<b>July 14, 2003 – Dec. 19, 2003</b>
<b>Dec. 22, 2003</b>	<b>Jan. 5, 2004 – May 28, 2004</b>

**Letter 131** details the S.P.A. administrative procedures.

386 (b) An employee shall use a Paid Absence Allowance selected in accordance with the provision of paragraph (a) above as:

387 (1) Excused absence because of illness when not receiving any benefits under the Company's Weekly Disability Benefit Plan or any absence, which has been requested by the employee and excused by his/her immediate supervisor, provided, however, that the employee's request will be denied only for the reason that his/her absence would interfere with production requirements.

388 Notwithstanding the above, a request for Paid Absence Allowance by an eligible employee made subsequent to such absence will be approved for payment, but such

payment shall not make such absence an excused absence or preclude the Company from considering such absence on the basis, in whole or in part, for disciplinary action. Such Paid Absence Allowance shall be increments of four (4) hours or more until such allowance is exhausted. Any Paid Absence Allowance unused at the end of the calendar year will be paid to an employee in the last payroll period ending in that calendar year. Scheduled Paid Absence Allowance must be taken by the employee, unless canceled during the first half of the preceding shift. Upon an employee canceling scheduled P.A.A., Department management will notify the next eligible employee on the scheduled P.A.A. waiting list of the cancellation.

- 389 (2) Vacation in the current year consisting of a full Paid Absence Allowance for forty hours, and scheduled in accordance with Section 10.09 of this Article.
- 390 (c) A paid Absence Allowance which the employee elects to apply to a day of absence under paragraph (b)(1) of this section shall include shift bonus, where applicable, and the cost-of-living allowance, and shall be computed in the case of an hourly employee, at his/her straight time hourly rate of his/her regular job in effect immediately prior to the day of absence, except however, an employee (temporarily assigned to work covered by a higher rated classification on the day before an excused absence will receive pay determined by averaging all his/her earnings for the week in which the absence occurs excluding overtime and premium pay for work on a holiday, Saturday and Sunday. If he/she performed no work during such week, the last week worked prior to the week in which the absence occurred will be used.
- 391 A Paid Absence Allowance for an employee who does not have 877 compensated hours to his/her credit, shall be computed as set forth herein. Pay for vacation for such employee shall be computed on the applicable percentage of earnings as shown in Column 4 less the amount paid him/her for Paid Absence Allowance.
- 392 Payment for Paid Absence Allowance prescheduled to provide a full week of time off or to abut an approved Leave of absence or vacation week will be issued in advance in conjunction with normal payroll procedures. In the event of a legitimate Sickness and Accident, Worker's Compensation, or Bereavement benefit, an employee who is on P.A.A. may cancel their P.A.A. for the period of the benefit entitlement.
- 393 An employee, who has been laid off, or has terminated employment, may request payment of unused PAA, such request may be made at any time during the calendar year. Once an employee elects this option there will be no further time off at a later date in that calendar year.
- 394 An employee with less than three (3) years of service as per 10.01 (a) shall be eligible to apply for Supplemental Unemployment Benefits for the third week of a vacation shutdown.
- 395 An employee eligible to receive a Paid Absence Allowance under this provision shall be ineligible to receive any benefits from the Supplemental Unemployment Benefit Plan during the annual vacation shutdown.
- 396 An employee may schedule an unused full week of P.A.A. into a week during which the plant is shutdown.

## ARTICLE 11 - APPRENTICES

- 397 **11.01 Prior to an employee being newly hired into an Apprenticeable Skilled Trades Classification, the documentation upon which the employee's Journeyman status was based will be presented by the Company for review by the Skilled Trades Representative of the Union, or his alternate, providing they make themselves available.**

## ARTICLE 12 – JURY SERVICE

- 398 12.01 An employee shall be excused from work on a work day on which he/she performs jury service (including coroner's juries) or is subpoenaed and reports for witness service in a court of record, or who reports for pre-jury duty examination by the Court or administrative government agency, provided he/she gives prior notice to his/her Supervisor. Such witness service shall include that performed on his/her own behalf, but shall include that resulting from service with another employer.
- 399 An employee shall be permitted to work part time outside is regular jury or witness service if the nature of his/her work is such as will permit this practice.
- 400 An employee who is excused for jury or witness service and who furnishes the Company with a statement from the court with regard to jury pay or witness fees received for the time spent on jury or witness service on a regularly scheduled work day, will be reimbursed by the Company as follows:
- 401 An employee who performs jury or witness service will be paid the difference between jury pay or witness fees (excluding itemized meal and travel allowances) and his/her regular wages for his/her regular shift.
- 402 An employee who performs jury or witness service and works on the same work day will be paid the difference, if any, between his/her actual earnings for the day plus the jury pay or witness fees (excluding itemized meal and travel allowances and his/her regular wages for his/her regular shift.
- 403 An employee who is called for jury service, responds to the call and loses time from work but is not accepted for jury service, will receive an amount equal to his/her regular wages for such time lost on his/her regular shift, provided he/she returns to his/her job promptly if he/she would be able to perform at least two (2) hours of work on his/her regular shift. The requirement to return to his/her job promptly shall not apply to an employee who responds to the call for four (4) or more hours in a given day, regardless of whether or not he/she loses time from work.
- 404 For purposes of this Article, regular wages shall be the employee's straight time earnings for the shift, using the employee's hourly rate. In addition, night shift bonus will be paid, if applicable.

## ARTICLE 13 – BULLETIN BOARDS

- 405 13.01 For the use of the Union, the Company will erect and maintain a suitable number of

locked bulletin boards throughout the plant. The location of the same as well as their number and size, shall be mutually determined. Such boards may be used for the purpose of communicating information concerning meetings, elections, social events, and other affairs of general interest. Under no circumstances may they be used for advertising, for political matter, for distributing pamphlets or circulars or for propaganda of any sort. No matter shall be posted until it has been submitted to and approved by the Human Resources Manager or some person designated by him/her for that purpose.

#### ARTICLE 14 – LEAVES OF ABSENCE

- 406 14.01 A leave of absence shall be understood to mean an absence from work, requested by the employee and consented to by the Management covering an agreed period of time and for such reasons as: settlement of an estate, serious illness or death of a member of the family, or an extended trip and for the other reasons set forth in this Article. The Company agrees to inform the Local Union of cases of leaves of absence granted employees under this Article.
- 407 14.02 For the purposes of facilitating the affairs of the Union, the Company shall grant, upon the written request of the Union, extended leaves of absence, without pay, to a number of employees not to exceed fifteen (15) from any Plant at any given time. Absences under this provision shall not exceed one (1) year except that such leaves of absence shall, upon request be renewed from time to time by the Human Resources Manager within the period of this contract. An employee who holds office with the Local or National Union shall, so long as such office is a full time position, be granted leaves of absence by the Company.
- 408 14.03 Upon written request of an employee who is or seeks to be a candidate for election to any government office or **Aboriginal Council** the Company will grant him/her a leave or leaves of absence not in excess of thirty (30) days in the period prior to the election date for government office for the purpose of campaigning on his/her behalf.
- 409 14.04 For the purposes of enabling employees to participate in the affairs of government or **Aboriginal Council**, the Company shall grant, upon written notice from the employee, leaves of absence to employees who are elected to municipal, provincial and federal government positions for the first term or who are appointed to full-time government office where such appointment requires legislative approval. Such leave of absence may be renewed at the option of the Company, upon written request for successive terms within the period of this Contract.
- 410 14.05 A leave of absence for a period not to exceed one (1) year without loss of seniority will be granted an employee who has at least one (1) year seniority in order that the employee may attend a recognized college, university, trade or technical school full time, provided that the course of instruction is related to the employee's employment opportunities with the Company. A request for a leave of absence to attend primary or high school will be regarded as being within the intent of this section and the schooling will be regarded as being related to the employee's employment opportunities with the Company. Before receiving the leave, or an extension thereof, the employee shall submit to the Company satisfactory evidence that the college, university or school has accepted him/her as a student and, on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leaves may be extended for

additional periods not to exceed one (1) year each.

411 14.06 Employees shall be granted a leave of absence not to exceed a period of twelve months in anticipation of, and for the care of a newborn child of the employee.

412 14.07 Employees shall retain the accumulated seniority as though employed by the Company during leaves of absence.

**ARTICLE 15 - WAGES, STANDARD TIME INCENTIVE PLAN AND ALLOWANCES**

413 15.01 The occupation described as of the date of signing of the Agreement shall remain in their respective labour grade classifications for the duration thereof. All new occupations will be described and a rate established therefore within 30 days of the time such occupation is established, the Union shall have the right to grieve the description or rate within a period of 45 days of issuance.

414 Should the Company and the Union be unable to agree on the description or rate of an occupation the dispute shall be submitted to a single arbitrator, who shall be a qualified industrial engineer or the equivalent. The arbitrator shall be mutually agreed upon by the parties, and his/her expense shall be shared on the same basis as in Section 4.01. Failing such agreement the parties shall then request the Minister of Labour for Ontario to appoint an arbitrator who shall have the above mentioned qualifications.

415 15.02 (a) The effective hourly wage payable upon ratification of the agreement will be:

<i>Labour Grade</i>	<i>Hourly Rate</i>
A	\$22.34
B	\$23.22
C	\$23.35
D	\$23.42
E	\$23.57
F	\$23.68
G	\$24.72
H	\$25.14
J	\$25.53
K	\$27.96

416 (c) After the application of the general increase on June 5, 2000 provided in section B below, a special increase of twenty cents (.20) will be added to the full base hourly rate for each skilled trades classification.

417 (b) For Pool Assembly, effective the first pay period on or after June 5, 2000, the hourly rate range will be increased as follows:

<i>Labour Grade</i>	<i>Hourly Rate</i>
A	\$.22
B	\$.23
C	\$.23
D	\$.23
E	\$.24
F	\$.24

G	\$.25
H	\$.25
J	\$.26
K	\$.28

418 (c) For Pool Assembly, effective the first pay period on or after June 4, 2001, the hourly rate range will be increased as follows:

<i>Labour Grade</i>	<i>Hourly Rate</i>
A	\$.34
B	\$.35
C	\$.35
D	\$.35
E	\$.36
F	\$.36
G	\$.37
H	\$.38
J	\$.39
K	\$.43

419 (d) For the purpose of applying benefit plans referred to in Section 19.01, the wage rate of an employee shall not be increased prior to the effective date of this agreement.

420 15.03 (a) (1) A new employee hired on or after the effective date of this agreement shall be hired at a rate equal to eighty-five percent (85%) of the full base rate of the job classification (excludes COLA).

421 (2) At the expiration of two hundred and seventy (270) days of employment, such employee shall receive an increase to ninety-two and one half percent (92.5%) of the full base rate of the job classification (excludes COLA).

422 (3) At the expiration of five hundred and forty-five (545) days of employment, such employee shall be paid the full base rate of the classification (excludes COLA).

423 (b) An employee will receive credit for seven days for each pay period during which the employee works except that the credit will not be given for any days the employee is on layoff. Credit will not be given for any period during which for any reason, the employee does not work except that an employee disabled from work by compensable injury or legal (occupational disease shall accrue credit toward pay period worked and in the case of the pay period in which the full week of the Christmas Holidays fall, provided the employee would otherwise have been scheduled to work. Further, an employee will be given progression credit of either one or two weeks of vacation shutdown period provided he/she earns at least 40 or 80 hours of vacation and paid absence allowance entitlement respectively. Each increase shall be effective at the beginning of the first pay period following completion of the required number of days employment.

424 (c) A laid-off seniority employee hired in a job classification other than skilled trades, shall receive a base rate, upon re-employment which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff. Such employee shall continue to be covered by the rate progression provisions

in effect during his/her previous employment, Upon such re-employment, the credited rate progression period of the employee's prior period of employment shall be applied toward his/her rate progression to the maximum rate of the job classification.

- 425 (d) The foregoing Subsection (a), (b) and (c) shall not apply to Skilled Trades classifications.
- 426 15.04 (a) The cost-of-living allowance provided for herein shall be paid to each employee for each hour worked. The amount of the cost-of-living allowance in effect at any given time shall be included in computing 15.02(a).
- 427 Effective with the adjustment for the three-month period beginning **September 1, 2002**, and for the next ten (10) three month periods specified in 15.04(d), the Cost-of-living Allowance shall be determined and re-determined as specified in 15.04 (e), on the basis of the Consumer Price Index published by Statistics Canada (**1986 = 100**) in accordance with the Letter of Understanding signed by the parties.
- 428 Continuance of the cost-of-living allowance shall be contingent upon the availability of the Indexes in their present form and calculated on the same basis as the Index for **April, 2002**, unless otherwise agreed upon by the parties. If Statistics Canada change the form or the basis of calculating the Index, the parties agree to ask Statistics Canada, to make available, for the life of this agreement, a monthly index in its present form and calculated on the same basis as the Index for **April, 2002**.
- 429 (c) Adjustments during the period of this Agreement shall be made at the following times:

Effective Date of Adjustment	Based upon Three-Month average of the Combined Consumer Price Indexes for:
First pay period beginning On or after <b>September 1, 2002</b>	<b>May, June, July 2002</b>
Three calendar-month Intervals thereafter to <b>June 1, 2004</b>	Three calendar-month Intervals thereafter to <b>February, March, and April 2004</b>

- 430 (d)(i) Effective for the **September 1, 2002**, and for any period thereafter as provided in Section 15.04 (c), the cost-of-living allowance shall be based on the Consumer Price Index published by Statistics Canada (**1986 = 100**) with one (1) cent adjustment for .073 change in the Average Index.
- 431 (d)(ii) In determining the three-month average of the indexes for a specific period, the computed average shall be rounded to the nearest 0.1 Index point.
- 432 (e)(i) In the event Statistics Canada does not issue the appropriate Indexes on or before the beginning of one of the pay periods referred to in Section 15.04 (c), any adjustment in the allowance required by (such appropriate Indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.
- 433 (ii) No adjustments retroactive or otherwise shall be made in the amount of the cost-of-living allowance due to any revision which later may be made in the published figures used in the calculation of the Consumer Price Index for any month on the basis of which the allowance shall have been determined.

- 434 (f) Each employee's wage rate shall be determined by comparing the labour grade of his/her occupational classification and his/her wage level in such labour grade with the same labour grade and wage level in the schedule set out in Appendix "A".
- 435 (g) In applying the provisions of Article 15.04 the Company shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months, rounded to the nearest 0.1 index point. This notification letter will be prepared and sent to the Union after publication of the third publication of the appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with section 15.04 (c).
- 436 15.05 New Hires reassigned under the provisions of the collective agreement will receive the rate of pay as described in 15.03(a) for the assigned classification.
- 437 15.06 If an employee is assigned temporarily to day work other than his/her own rate or the maximum of the job rate to which he/she is assigned, whichever is higher for the actual time worked on such temporary assignment.
- 438 15.07 Skilled Trades and Special Equipment (S.E.) employees shall make out their labour sheet daily showing in detail each operation he/she has worked on, and shall submit such labour sheet to the designated location at the end of the shift involved.
- 439 15.08 There shall be no change made on the employee's' daily labour sheet without his/her knowledge. Allowances, authorized by the Supervisor are to be entered daily or on some other basis agreed upon between the Company and the Union, and the labour sheet shall be kept in an accessible place for employee reference.
- 440 All line operators will be made responsible for proper line set and spacing of units on their respective lines.
- 441 The Union will be notified of any changes in controlled line speed.
- 442 15.11 Under unique circumstances where MOST or Standard data cannot be used, estimates will be developed until firm standards can be set.
- 443 15.12 When employees are stopped from their regular occupations and are assigned to inventory work, they shall be paid for the time involved at the "E" labour rate.
- 444 15.13 An employee injured at work on a regular shift requiring medical treatment who is certified by a medical doctor as unable to return to work, or the injury occurs too late in the day to make return possible, shall be paid for the balance of the shift at his/her regular hourly rate.
- 445 If an employee working at premium time suffers an injury, and is unable to return to work, he/she will be paid on a premium basis for the remaining scheduled premium hours.
- 446 The same method of payment will be used to compensate an employee who must leave the plant to receive medical treatment and return to work.



447 15.14 Employees requesting to be excused from observation or time study for medical reasons only must provide substantiating medical evidence from their personal physician. The Company selected substitute operator will be made known to the department union representative prior to the observation or time of study.

448 **15.15 In the event that the Scada system should experience technical difficulties, which would restrict it from displaying line speed information, the Industrial Engineering department will monitor the speeds of these moving lines until the Scada system is reactivated. These readings will be logged in the Industrial Engineering department for Union review.**

#### **ARTICLE 16 - CHECK OFF OF UNION DUES AND INITIATION FEES**

449 16.01 All present employees in the bargaining unit who are not now members of the Union but who may become members during the term of this Agreement will be required, as a condition of continuing employment, to maintain their membership in the Union to the extent of current monthly dues and to sign an "Authorization to Deduct Union Dues" in the form provided.

450 16.02 All new employees who are hired during the term of this agreement will be required as a condition of employment, and within 30 days after the date of commencement of employment, to assign to the Union, through payroll deductions, an amount of money equal to the monthly Union dues, and for such purpose to sign an "Authorization to Deduct Union Dues" in the form provided.

451 16.03 It is hereby agreed that for the duration of this Agreement, upon authorization in writing by an employee covered by the Agreement and in the manner as set out in Schedule "A" below, the Company will deduct Union dues, Initiation Fees, and general assessments levied per month from the second pay in each month of such employee. All such deductions to be transmitted to the Financial Secretary of the Union on or before the 25<sup>th</sup> day of each month.

452 Orders authorizing the deduction of such Union dues, initiation fees, and general assessments shall be made in duplicate and one copy shall be forwarded to the Financial Secretary of the Union. The Financial Secretary of the local Union shall notify the Company of the amount to be deducted in accordance with the provisions of this Article.

453 16.04 The Company will, at the time of making each such payment to the Financial Secretary of the Union name the employee from whose pay such payment has been deducted.

454 16.05 If during the pay deduction of Union dues or initiation fees an employee, because of absence, has no earnings, such deduction shall be deferred to the regular deduction period in the following month, provided, however, that the employee has had 40 hours or more work in the preceding month for which no deduction was made and also has had at least 35 hours of work during the week for which the double deduction will be made. If either one of these work requirements has not been met by the time the second deduction is due, deduction of one month's dues shall be made, and the extra deduction shall be made during the first subsequent month in which the employee has preformed

the amount of work required above.

**SCHEDULE "A"**  
**NAVISTAR INTERNATIONAL CORPORATION**  
**CANADA**  
**CHATHAM PLANT**  
**AUTHORIZATION OF CHECK-OFF DUES**

Date \_\_\_\_\_

To: Navistar International Corp. Canada

455 I hereby assign to Local Union No. 127, National Automobile, Aerospace and Agricultural, Implement Workers Union of Canada (C.A.W.) from any wages earned or to be earned by me (or a regular benefit payable under its Supplemental Unemployment Benefit Plan or its Optional Leave Benefit Plan) as your employee (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No. 127 may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sums as may be established from time to time as Union dues in accordance with the Constitution of the National Union, C.A.W. I authorize and direct you to deduct such amounts from my pay and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

456 This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective agreement, between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be Irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) days and not less than ten, (10) days prior to the expiration of each period of one (1) year, or each applicable collective agreement between the Company and the Union, whichever occurs sooner.

457 This authorization is made pursuant to the provisions of the Ontario Labour Relations Act of 1973 and otherwise.

\_\_\_\_\_  
(Signature of Employee)

\_\_\_\_\_  
(Social Insurance No.)

\_\_\_\_\_  
(Type of Print Name of employee)

\_\_\_\_\_  
(Employee Clock No.)

\_\_\_\_\_  
(Address of Employee)

\_\_\_\_\_  
(Date of Signature)

\_\_\_\_\_

\_\_\_\_\_

(City, Prov, Postal Code)

458

**INSURANCE PLANS TABLE OF BENEFITS**

Effective October 25, 1996, the amount of insurance for employee shall be as follows, 465

Base Hourly Earnings	(1) Weekly Disability Benefits	Group Term Life Insurance Before 65	AD&D Before Age 65	(2) Total & Permanent Disability	Monthly LTD Benefits Schedule 1	Monthly LTD Benefits Schedule 2
Less than \$16.40	\$390	\$37500	\$18750	\$750	\$1405	\$1545
\$16.40 but less than \$16.75	\$395	\$38000	\$19000	\$760	\$1435	\$1580
\$16.75 but less than \$17.10	\$405	\$39000	\$19500	\$780	\$1470	\$1610
\$17.10 but less than \$17.45	\$415	\$39500	\$19750	\$790	\$1500	\$1645
\$17.45 but less than \$17.80	\$420	\$40500	\$20250	\$810	\$1530	\$1680
\$17.80 but less than \$18.15	\$430	\$41500	\$20750	\$830	\$1560	\$1710
\$18.15 but less than \$18.50	\$440	\$42000	\$21000	\$840	\$1590	\$1745
\$18.50 but less than \$18.85	\$450	\$43000	\$21500	\$860	\$1620	\$1780
\$18.85 but less than \$19.20	\$455	\$43500	\$21750	\$870	\$1650	\$1810
\$19.20 but less than \$19.55	\$465	\$44500	\$22250	\$890	\$1680	\$1845
\$19.55 but less than \$19.90	\$475	\$45500	\$22750	\$910	\$1710	\$1880
\$19.90 but less than \$20.25	\$480	\$46000	\$23000	\$920	\$1740	\$1915
\$20.25 but less than \$20.60	\$490	\$46500	\$23250	\$930	\$1770	\$1945
\$20.60 but less than \$20.95	\$500	\$47500	\$23750	\$950	\$1800	\$1980
\$20.95 but less than \$21.30	\$505	\$48500	\$24250	\$970	\$1830	\$2015
\$21.30 but less than \$21.65	\$515	\$49000	\$24500	\$980	\$1860	\$2045
\$21.65 but less than \$22.00	\$525	\$50000	\$25000	\$1000	\$1890	\$2080
\$22.00 but less than \$22.35	\$530	\$50500	\$25250	\$1010	\$1920	\$2115
\$22.35 but less than \$22.70	\$540	\$51500	\$25750	\$1030	\$1950	\$2145
\$22.70 but less than \$23.05	\$550	\$52500	\$26250	\$1050	\$1985	\$2180
\$23.05 but less than \$23.40	\$555	\$53000	\$26500	\$1060	\$2015	\$2215

\$23.40 but less than \$23.75	\$565	\$54000	\$27000	\$1080	\$2045	\$2245
\$23.75 but less than \$24.10	\$575	\$54500	\$27250	\$1090	\$2075	\$2280
\$24.10 but less than \$24.45	\$585	\$55500	\$27750	\$1100	\$2105	\$2315
\$24.45 but less than \$24.80	\$590	\$56500	\$28250	\$1130	\$2135	\$2350
\$24.80 but less than \$25.15	\$600	\$57000	\$28500	\$1140	\$2165	\$2380
\$25.15 but less than \$25.50	\$610	\$58000	\$29000	\$1160	\$2195	\$2415
\$25.50 but less than \$25.85	\$615	\$58500	\$29250	\$1170	\$2225	\$2450
\$25.85 but less than \$26.20	\$625	\$59500	\$29750	\$1190	\$2255	\$2480
\$26.20 but less than \$26.55	\$635	\$60500	\$30250	\$1210	\$2285	\$2515
\$26.55 but less than \$26.90	\$640	\$61000	\$30500	\$1220	\$2315	\$2550
\$26.90 but less than \$27.25	\$650	\$62000	\$31000	\$1240	\$2345	\$2580
\$27.25 but less than \$27.60	\$660	\$62500	\$31250	\$1250	\$2375	\$2615
\$27.60 but less than \$27.95	\$665	\$63500	\$31750	\$1270	\$2405	\$2650
\$27.95 but less than \$28.30	\$675	\$64500	\$32250	\$1290	\$2440	\$2680
\$28.30 but less than \$28.65	\$685	\$65000	\$32500	\$1300	\$2470	\$2715
\$28.65 but less than \$29.00	\$690	\$66000	\$33000	\$1320	\$2500	\$2750
\$29.00 but less than \$29.35	\$700	\$67000	\$33500	\$1340	\$2530	\$2780
\$29.35 but less than \$29.70	\$710	\$67500	\$33750	\$1350	\$2560	\$2815
\$29.70 but less than \$30.05	\$715	\$68500	\$34250	\$1370	\$2590	\$2850
\$30.05 but less than \$30.40	\$725	\$69000	\$34500	\$1380	\$2620	\$2880
\$30.40 but less than \$30.75	\$735	\$70000	\$35000	\$1400	\$2650	\$2915
\$30.75 but less than \$31.10	\$745	\$71000	\$35500	\$1420	\$2680	\$2950
<b>\$31.10 but less than \$31.45</b>	<b>\$750</b>	<b>\$71500</b>	<b>\$35750</b>	<b>\$1430</b>	<b>\$2710</b>	<b>\$2980</b>
<b>\$31.45 but less than \$31.80</b>	<b>\$760</b>	<b>\$72500</b>	<b>\$36250</b>	<b>\$1450</b>	<b>\$2740</b>	<b>\$3015</b>
<b>\$31.80 but less than \$32.15</b>	<b>\$770</b>	<b>\$73500</b>	<b>\$36750</b>	<b>\$1470</b>	<b>\$2770</b>	<b>\$3050</b>
<b>\$32.15 but less than \$32.50</b>	<b>\$775</b>	<b>\$74000</b>	<b>\$37000</b>	<b>\$1480</b>	<b>\$2800</b>	<b>\$3080</b>
<b>\$32.50 but less than \$32.85</b>	<b>\$785</b>	<b>\$75000</b>	<b>\$37500</b>	<b>\$1500</b>	<b>\$2830</b>	<b>\$3115</b>
<b>\$32.85 but less than \$33.20</b>	<b>\$795</b>	<b>\$76000</b>	<b>\$38000</b>	<b>\$1520</b>	<b>\$2860</b>	<b>\$3150</b>
<b>\$33.20 and over</b>	<b>\$800</b>	<b>\$76500</b>	<b>\$38250</b>	<b>\$1530</b>	<b>\$2890</b>	<b>\$3180</b>

- 459 (1) In no event will the Weekly Disability Benefit payable under this Plan be less than the disability benefit the employee would have received had he/she been eligible for an Unemployment Insurance Disability benefit on the date he/she first became disabled.
- 460 (2) Employees may elect payment of life insurance in monthly installments as provided in Article VII (a) of Part II.
- 461 (3) Schedule II applies to eligible employees who, on their last day worked preceding a continuous period of disability either have 10 years of credited service under the Non-Contributory Retirement Plan or ten or more years of participation under Group Life Insurance Program.
- 462 17.02 The Management agrees to meet with a representative committee of the Union to discuss any phase of the Company's sick benefit, hospitalization, surgical, medical and life insurance plans whenever there appears to be a reasonable justification for such meeting.

### ARTICLE 18 – SKILLED TRADES

- 463 18.01 The purpose of this Skilled Trades Article shall be for defining classifications and apprenticeship and to include all commonly recognized apprenticeable trades.
- 464 18.02 The term journeyman/journeywoman as used in this article shall mean any person who:
- 465 1. Is presently working within the journeyman/journeywoman classification in the plant in a skilled trades occupation, or
- 466 2. Has served a bona fide apprenticeship and has a certificate to substantiate his/her claim of such apprentice service, or
- 467 Has had eight (8) years of practical experience in a skilled trades classification in which he/she claims journeyman/journeywoman designation and can prove same, or has a recognized CAW journeyman/journeywoman's card.
- 468 18.03 The conditions governing recognition, representation and other working conditions applicable to the skilled trades shall apply to employees in the following classifications, but additional classifications may be negotiated by the parties during the life of this Agreement.

469

<u>Code No.</u>	<u>Occupational Title</u>
34	Dynamometer & Road Test
37	Machinist – Development
39	Lift Truck Mechanic
47	Welder
49	Millwright
52	Tool & Die
53	Plumber
84E	Electrician

- 470 18.04 Entry into a recognized skilled trade by a new employee shall be governed as in Section 18.02 or through an Apprenticeship Program which has been agreed upon in accordance with Article 11. If there is a vacancy in the Skilled Trades area, the pool posting procedures from 7.10 will apply using the following procedure.
- 471 1. A departmental pool posting will first be posted in the Skilled Trades department where the vacancy exists and only the employees on the Skilled Trades seniority list for that department will be eligible to apply for that particular pool posting.
- 472 2. If there are no successful applicants on the departmental posting, then the job will be posted plant wide and only those employees on the Skilled Trades list will be eligible to apply for the opening.
- 473 3. If for some reason there is still no successful applicant from Steps 1 and 2, factory employees who are not on the Skilled Trades seniority list but are in the affected department where the posting originated and fulfill the requirements of Section 18.02 of the Agreement will be considered and given priority over other factory employees for the vacancy prior to the Company considering hiring a new Skilled Trades employee. Employees transferring into the Skilled Trades under this provision will carry their service, not seniority.
- 474 Skilled Trades employees laid off from their classification shall have preferred hire-in rights into production areas ahead of other new hires. Production workers laid off, who fulfill the provisions of Section 18.02 will have preferred hire-in rights to enter the Skilled Trades ahead of other new hires.
- 475 In the event of a reduction of available work in the 52-K Tool & Die Classification the most senior employee whose job has been discontinued may displace the most junior employee in the 37-K Machinist Development, provided the employee has the seniority to do so.
- 476 All other trades classifications will not be eligible to displace junior employees in other classifications regardless of their qualifications under Art. 18.02.
- 477 In the event a former 52-K Tool & Die employee is subsequently being reduced from a job he/she had previously obtained through the provisions of this section, he/she shall have the right to return to the 52-K Tool & Die classification if his/her seniority warrants.
- 478 Non-Skilled Trades employees will carry service but not seniority at lay-off or transfer, into the Skilled Trades classification as listed in Section 18.03. Non-Skilled Trades employees are accepted into the Skilled Trades areas and within sixty (60) days are unsuccessful, will be returned to available work in line with the seniority he/she had prior to entering into the Skilled Trades.
- 479 Skilled Trades employees will carry service, but not seniority, at lay-off or transfer into Non-Skilled Trades classifications, except those who transfer due to medical restrictions. Should a Skilled Trades Classification be discontinued, the affected employee(s) will carry service and seniority upon transfer, and will then exercise seniority as outlined in Article 7.

- 480 Should a skilled Trades employee become medically unfit and unable to follow his/her trade, he/she will be assigned to other suitable employment as outlined in Article 7, Section 7.10.
- 481 18.06 Representation – The Company will recognize and the Skilled Trades Group will select a journeyman/journeywoman representative for the purpose of grievances, appeals and bargaining. Such a representative will be considered as one of the plant Committeepersons mentioned in Article 3.
- 482 18.07 Tools – The Company will assume the responsibility for the replacement of tools and tool boxes belonging to skilled tradesmen 70J and apprentices in the event such tools or tool boxes become damaged or lost by fire, water resulting from a fire or water leakage due to a structural defect. However, all tools must be listed and valued and the list presented by the employee to the Plant Controller for safe keeping prior to any fire. The maximum liability assumed under this section shall not exceed Six Thousand Dollars (\$6000) for each such employee.
- 483 18.08 Membership Fee – The Company will, upon proper written authorization by the employee, deduct from the earnings of all Skilled Trades employees the sum of One Half (1/2) an hours wage (including current C.O.L.A.) per year in the month of January. Such deductions to be considered as a membership fee in the area Skilled Trades Council, and such deductions to be forwarded to the Financial Secretary of the Local Union. New employees will have fees deducted from the first pay following receipt of written authorization.
- 484 18.09 When, because of a situation beyond the normal control of the Company, it becomes necessary to transfer a member of the Skilled Trades Group on a temporary basis to another department the Company will give consideration to assigning the shorter service employee with the required skill and ability. The employee shall be returned to his/her regular department upon correction of the condition.
- 485 18.10 All Maintenance Department Skilled Trades will work during the Company designated vacation shutdown period. Vacation granted to these employees on these weeks will be subject to the same maximums as other weeks outside of the vacation shutdown(s).
- 486 18.12 In order to provide adequate Union representation during the overtime hours, the Company agrees that when the department requires five (5) or more employees for overtime purposes, the Union representative from the shift working the overtime will be asked. The Union representative shall be advised of all overtime to be worked in his/her department, (prior if possible, to work being done, in order to avoid inequities). The Union will notify the Company during the first regular shift following the overtime if any known inequities exist. Union representative's hours will not be recorded for overtime purposes and if, during the year, he/she leaves office, he/she will carry his/her own accumulated hours into his/her new position.
- 487 18.13 Newly hired employees, and employees recalled where their layoff was in excess of thirty (30) calendar days and was not due to a partial or temporary shutdown, will be credited with an amount of overtime hours equal to the average of all employees within the trades classification. The Skilled Trades Committeeman and the departmental

Superintendent will first agree that the overtime records are up to date. The Skilled Trades Committeeman will then make the calculations and advise the Superintendent in writing of the averages to be applied to each trades classification. The Company will not be held liable in the event of any error relating to this initial crediting of overtime hours.

#### **ARTICLE 19 – BENEFIT PLANS**

488 (a) Simultaneously with the execution of this for agreement, the Company and the Union have agreed upon additional supplemental agreements and exhibits which are made parts of this agreement as described below:

- (i) Health Security Program Agreement – Exhibit A
- (ii) Canadian Legal Services Plan Agreement – Exhibit B
- (iii) Supplemental U.I.C. Benefit Plan – Exhibit C
- (iv) Non-Contributory Retirement Plan – Exhibit D

489 No matter respecting the above Exhibits shall be subject to the grievance procedure established in this agreement.

490 (b) In the event of any conflict between the provisions of this agreement and the provisions of the Exhibit referred to in Section 19.01 (a), the provisions of the Exhibits shall prevail.

#### **ARTICLE 20 – GENERAL PROVISIONS**

491 20.01 Job Security and Outside Contracting – It is the policy of the Company that employees of an outside contractor will not be utilized in the plant to replace seniority employees on production assembly or manufacturing work, warehousing work, or fabrication of tools, dies, jigs, and fixtures, normally and historically performed by them, when performance of such work involves the use of Company – owned machines, tools or equipment maintained by the Company employees.

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

493 It is the policy of the Company to fully utilize its seniority employees in the performance of maintenance and construction work in accordance with the statement of policy established under the prior contract. It is the Company policy in all cases, except where time and circumstances prevent it, to have advance discussion with the local Union representatives prior to letting such a contract. In this discussion local Management is expected to review its plans or prospects for letting a particular contract.

494 The local Union should be advised of the nature, scope and approximate dates of the work to be performed and the reasons (equipment, manpower, etc., why management is contemplating contracting out the work. At such times, Company representatives are expected to afford the Union an opportunity to comment on the Company's plans and to give appropriate weight to those comments in the light of all attendant circumstances.

495 In no event shall any seniority employee who customarily performs the work in question



be laid off as a direct and immediate result of work being performed by any outside contractor on the plant premises.

496 20.02 Employees shall be permitted to smoke in those sections and areas of the plant premises which are not restricted against smoking because of safety or fire hazards.

497 20.03 The Company agrees to discuss with the canteen committee any proposed changes in vending services, changes in price of vended items and problems with the vending services in an effort to provide a better understanding among the employees regarding our food services.

498 20.04 In the event of transfer of Chatham operations to a new location, employees will be given the opportunity to transfer in line with seniority, skill and ability. Such transfer shall be subject to conditions of employment existing at the new location.

499 20.05 There will be no discipline or cost assessed to any employee regarding garnishments and the employee will be notified in the Employment Department of such matters.

500 20.06 New hires will be introduced to their respective initial departmental shift Union representative.

#### **ARTICLE 21 - RIGHT TO AMEND AND SUPPLEMENT**

501 21.01 The parties reserve the right to amend and supplement this contract by mutual agreement any time during the duration thereof.

#### **ARTICLE 22 - DURATION OF AGREEMENT**

502 22.01 This Agreement shall remain in full force and effect until **12:01 am June 5, 2004**, and thereafter from year to year unless either party gives written notice to the other, not less than ninety (90) days prior to the expiration date of this Agreement, or any anniversary thereof of its desire for changes or termination of the Agreement.

503 In WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

FOR THE COMPANY:

T.HENNIGAN  
B.MORRIS  
D.BOLAND  
J.PLASSMAN  
R.MARTENS  
K.SHERRING  
S.CURRY  
T.ARMSTRONG  
J.GILLIS  
M.JARRICK  
A.RAMSZ

FOR THE UNION:

J.McCABE  
D.DENEAU  
R.O'ROURKE  
K.WARNOCK  
G.CARON  
C.COWELL  
R.STEWART  
R.O'MARA

APPENDIX "A" POOL ASSEMBLY  
 LOCAL 127 HOURLY RATE RANGES  
 FOR EMPLOYEES HIRED ON OR AFTER **6/1/2002**  
 FOLLOWING RATED ARE IN EFFECT UNTIL  
 EXPIRATION **6/4/2004**

LABOUR GRADE	EFFECTIVE	MIN NEW HIRE	STEP 1 RATE AFTER 180 DAYS	MAX RATE AFTER 545 DAYS
A	6/3/2002	19.47	21.18	22.90
	6/2/2003	19.47	21.18	22.90
B	6/3/2002	20.23	22.02	23.80
	6/2/2003	20.23	22.02	23.80
C	6/3/2002	20.34	22.14	23.93
	6/2/2003	20.34	22.14	23.93
D	6/3/2002	20.40	22.21	24.00
	6/2/2003	20.40	22.21	24.00
E	6/3/2002	20.54	22.36	24.17
	6/2/2003	20.54	22.36	24.17
F	6/3/2002	20.63	22.46	24.28
	6/2/2003	20.63	22.46	24.28
G	6/3/2002	21.54	23.44	25.34
	6/2/2003	21.54	23.44	25.34
H	6/3/2002	21.90	23.84	25.77
	6/2/2003	21.90	23.84	25.77
J	6/3/2002	22.25	24.22	26.18
	6/2/2003	22.25	24.22	26.18
K	6/3/2002			28.87
	6/2/2003			28.87

APPENDIX J  
JOB CLASSIFICATIONS

<u>JOB NO.</u>	<u>JOB TITLE</u>	<u>LABOUR GRADE</u>
003	General Cleaning and Painting	E
125	Paint Mixer	E
061	Paint Blender	F
011	Receiver	E
040	Shunt Driver	D
016	Stock Chaser	E
097	Material Handler Production	E
008	Stock Status Verification	C
125	Assembly	E
97P	Principal Clerk	G
123	Masker Paint	F
107	Utility Person	F
023	SPC & Torque Auditor	G
035	Paint Repair	H
063	Paint Equipment Maintenance	G
081	Frame Rail Operation	G
149	Spray Painter	H
38E	Electronic / Repair Monitor	G
73B	Quality / Repair Monitor	G
24D	Vendor Quality Assurance Desk	H
SP5	Ergonomic Representative	H
SP6	Work Standard Representative	J
029	Inspector Layout	J
068	Quality Electronics Diagnostics	J
070	Mechanic All Purposes Production	J
SP4	Near Coordinator	J
035T	Paint Repair Trainer	J
034	Dyno & Road Test	K
037	Machinist Development	K
039	Lift Truck Mechanic	K
047	Welder	K
049	Millwright	K
052	Tool & Die	K
053	Plumber	K
84E	Electrician	K
SP1	Plant Chairman	K
SP2	Plant Vice Chairman	K
SP3	Plant Safety Chairman	K

\*Each pool will consist of only one classification and labour grade.

APPENDIX L  
VOLUNTARY OVERTIME  
MEMORANDUM OF UNDERSTANDING  
INTRODUCTION

- 504 The parties recognize that the manufacturing Operations of the Company are highly and completely integrated. An interruption at one stage of the production process, whether during the regular work day, work week, or overtime or other premium hours, can, and probably will, cause costly interruptions of the process at earlier and/or later stages. This Memorandum represents an accommodation between the needs of the Company and the rights of individual employees to decline overtime work on occasion for a variety of individual and personal reasons. (Reference Letter **No. 70** RE OVERTIME LIMITS).
- 505 The parties have earnestly sought during negotiations resulting in the Collective Agreement dated June 16, 1980 feasible steps that the Company might take in scheduling overtime work to provide employees an opportunity to accept or decline work opportunities during such periods, and have reached the following understanding which shall constitute a supplement to the Collective Agreement between the parties dated June 16, 1980, and shall be effective June 16, 1980.
- 506 Compulsory overtime under this memorandum will only be implemented in the case of the normal operator (refer to the Scheduled Overtime letter in the Supplemental Letters book).
- 507 (1) DAILY OVERTIME- Daily hours in excess of **ten and a half (10.5)** hours worked per shift Monday through Thursday (to a maximum of (4) overtime hours worked) and hours in excess of eight (8) hours per shift on Friday shall be voluntary except as otherwise provided in this Memorandum of Understanding. Voluntary overtime worked by an employee will not affect the employee's obligation to work contractual mandatory overtime within the same week.
- 508 (2) WEEKEND OVERTIME – Overtime work on Sunday will normally be voluntary. However, it is recognized that, due to availability of equipment and plant facilities, some operations are unable to effectively work daily overtime and must work on the weekend. In such cases it is agreed that weekend overtime hours in excess of **five (5)** hours shall be voluntary, except that an employee who has worked in excess of **thirty-nine (39)** hours in the regular work week shall be obligated to work only such weekend overtime hours are necessary to bring the total hours worked in that work week to **forty-eight (48)** hours. As examples, this provision would normally apply to a three shift operation or an operation which is necessarily done on the weekend to efficiently run the plant (Department 8 – Final Quality Centre). Voluntary overtime worked by an employee will not affect the employee's obligation to work contractual mandatory overtime within the same week.
- 509 (3) OVERTIME SCHEDULES – Management will discuss, upon request by the Union, its overtime schedules.
- 510 (4) CONCERTED ACTIVITY – Any right to decline overtime work that this Memorandum of Understanding confers on any employee may be exercised only by each employee

acting separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or employees or the Union pursuant to any other action or decision. No employee shall seek by any means to cause or influence any other employee to decline to work overtime. Violation by any employee of the terms, purpose or intent of this Paragraph shall subject him/her to discipline. If employees who are scheduled to work overtime fail or refuse to work overtime fail or refuse to work as scheduled in significantly greater numbers than the Company's experience under this Memorandum can reasonably lead it to expect, such evidence shall be carefully considered by the Company in any decision involving the question of whether their failing or refusing to work the scheduled hours was collusive, concerted or influenced by other persons.

- 511 (5) In deciding which employee shall be offered overtime work, the provisions of the collective Agreement detailing Equitable Distribution of Overtime shall apply.
- 512 (6) EMERGENCIES – The provisions of this Memorandum of Understanding that limit or restrict the right of the company to require employees to work overtime, shall be suspended if the plant operations are interrupted by emergency situations, such as single breakdowns of four (4) hours or more, government mandated work severe parts shortages, power shortages, strike, fire, tornado, flood, or Acts of God, for a period of time necessary to overcome such emergencies.
- 513 (7) CONTINUOUS 7-DAY OPERATIONS – This Memorandum of Understanding shall not apply to employees working on what are normally classified as continuous 7-day operations. The National Union may bring to the attention of the Company any overtime problems with employees on such operations.

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Letter No. 1

May 20, 1980  
REVISED: OCTOBER 22, 1990  
REVISED: October 25, 1993  
Revised: June 7, 1999

Mr. D Dejaegher  
Plant Chairperson  
Local 127 CAW, Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher:

This letter confirms the agreement that all letters of intent will be listed in the Collective Agreement and are considered to be part of the Agreement.

In 1999 it was agreed that Canadian Auto Workers (C.A.W.) versus United Auto Workers (U.A.W.) or International Harvester Canada Limited versus Navistar International would have the meaning. In all cases the use of the names specified above shall have a similar application and obligation and the names shall be interchangeable and indeed only reflective of a name change.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

JOV/dl

Letter No. 2

June 15, 19880

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham, Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: LETTERS OF UNDERSTANDING BOOKLET**

During the 1980 contract negotiations, it was agreed between the Company and the Union that the Letters of Understanding signed and initialed during the negotiations would be published in booklet form for distribution. The cost of publishing this booklet will be shared 50-50, between the Company and the Union.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JOV/di

**Letter No. 3**

**June 2, 2002**

**Mr. D. Deneau  
Plant Chairperson  
Local 127 CAW, International Unit  
Chatham Plant**

**INTERNATIONAL**

**Dear Mr. Deneau:**

**SUBJECT: LETTERS OF UNDERSTANDING**

**During the 2002 contract negotiations, the Company expressed concern regarding the inclusion of plant policies and procedures in the collective agreement within its Letters of Understanding. Among the Company's concerns were letters that contained policies or procedures that may change over the life of the agreement, reducing the relevance of the letters and restricting the Company's right to change outdated policies and/or procedures.**

**In resolution to these concerns, the Company and Union agreed to move a number of these letters to the plant policies and procedures manuals. This allows the review and revision of all policies and procedures by both parties.**

**Disputes related to policies and procedures that have been removed from the collective agreement may be resolved through the grievance procedure provisions of the collective agreement.**

**Yours very truly,**

**K. Sherring  
Manager Human Resources**

**Letter No. 4**

**June 2, 2002**

**Mr. D. Deneau  
Plant Chairperson  
Local 127 CAW, International Unit  
Chatham Plant**

**INTERNATIONAL**

**Dear Mr. Deneau:**

**SUBJECT: NO FAULT ATTENDANCE FOR MANDATORY PRODUCTION OVERTIME**

**During the 2002 contract negotiations, the Company and Union agreed to the following regarding the No Fault Attendance Policy related to scheduled production overtime.**

- 1. No points will be applied to pre-authorized time off during mandatory overtime.**
- 2. Employees who are on vacation are subject to mandatory overtime on the Saturday prior to their vacation. Employees are not subject to mandatory overtime on a Saturday immediately following their vacation or SPA week. However, these employees will be offered voluntary overtime as normal operators on the Saturday following their vacation or SPA week, in accordance with overtime procedures in Article 8, provided they sign up for that Saturday overtime.**
- 3. Short and Long-term absence replacements (such as S&A, WSIB, bereavement, vacation or SPA, etc.) will be subject to mandatory overtime on the job they are replacing, if the normal operator is not available.**
- 4. Employees will be excused from mandatory overtime during a period of bereavement. Pay for bereavement will not include overtime for which an employee was excused and will not be considered as time taken for bereavement. The Company will continue its practice of not calling employees to work voluntary overtime for periods that include bereavement, unless the employee specifically notifies the Company that they are available for overtime during that bereavement period.**

**Yours very truly,**

**K. Sherring  
Manager Human Resources**



Letter No. 5

October 19, 1987  
REVISED: October 22, 1990  
REVISED: October 25, 1993  
REVISED: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton:

**SUBJECT: MODIFIED WORKING HOURS/ABSENTEE PROGRAM (HOURLY EMPLOYEES)**

During the 1987 negotiations, the Company and Union spent considerable time discussing the problem of excessive absenteeism at the Chatham Plant. Both parties recognize that the current high levels of absenteeism adversely affect the quality of the product, create excessive cost and, therefore, threaten the viability of the Plant.

In an attempt to significantly reduce the current high absentee levels, several approaches were pursued, one of which is the modification of working hours for hourly employees. This program will be implemented effective the second Monday following ratification. This program may be canceled at any time should both the Company and Union mutually agree to do so. In either case, cancellation of the program will reinstitute whatever normal provisions of the contract that have been superseded by this program. Details of the program are listed below:

a) **WORK WEEK AND PAY**

Normal Work Week

	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	<u>Total</u>
Hours worked	8.5	8.5	8.5	8.5	5.0	39.0

Friday (8.5 hour) Statutory Holiday Week

	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	<u>Total</u>
Hours worked	8.5	8.5	8.5	5.0	H	30.5

Monday (8.5 hour) Stat Holiday Week

	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	<u>Total</u>
Hours worked	H	8.5	8.5	8.5	5.0	30.5

For all other scheduled days off, refer to **Letter #6** for application.

In order to achieve a one (1) hour reduction in total working hours, each week without reducing production levels, it was agreed that the two (2) five (5) minute wash-ups be eliminated each day. There will be a three (3) minute wash-up however, at the end of

shift on the shortened day each week. The resultant higher production rate will be reflected in the employee's hourly rate for each hour or fractional hour paid on a straight-time basis, by applying a factor of 1.02564 to each of the hours. In other words, an employee who works 39 hours per week will receive 40 hours of pay at his/her applicable straight-time rate.

**b) OVERTIME**

All thirty-nine (39) hours worked within the new modified work week will be on a straight-time basis. Mandatory overtime will continue to be a maximum of four (4) hours and twenty (20) minutes per week (total), Monday through Thursday with a maximum of two (2) hours and five (5) minutes per day. There will be no mandatory overtime however, on a shortened Thursday (that is, the day before a Friday statutory holiday). Reference Appendix L of the Collective Agreement.

The Weekend mandatory overtime provisions in Appendix L (2), and **paragraph 241**, of the Collective Agreement will continue unchanged. The reference to "forty (40) hours" in Appendix L (2) is revised to "thirty-nine (39) hours".

Note: The factor of 1.02564 will not be applied to overtime hours worked.

**c) P.A.A.**

P.A.A. will be paid for hours missed on Fridays only when the absence has been preauthorized by management. This also applies to a Thursday prior to a Friday statutory holiday.

P.A.A. will be paid for hours missed on Mondays only when the absence has been preauthorized by management, or the employee provides written documentation to justify the need for his/her absence (whether medically related or not). Acceptance will be consistent with the conditions established under the "Absence Justification Program".

**d) NEW JOBS AND REPLACEMENTS NOTIFICATION (POSTINGS)**

When new jobs or replacement openings are posted per sections 7.10, 7.11, 7.14, and 7.17 the Company will not consider Friday as a "shift".

Yours very truly,

J.J.Krete  
Manager Human Resources



November 1, 1990  
REVISED: October 25, 1993  
REVISED: October 25, 1996  
Revised: June 7, 1999

Mr. D. Dejaegher  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher:

**SUBJECT: ADDITIONAL HOLIDAY HOURS**

During the 1990 Negotiations the Company agreed to add an additional twenty-four (24) Holiday hours per calendar year beginning 1991. For purposes of this letter the time period of a calendar year will include all of the Christmas Holiday Period, which ends in that year. The Company and Union Agreed that the following will be the method of scheduling this time off:

1. The five (5) Statutory Holidays, (other than Canada Day), listed in Paragraph **284** will be increased from eight (8) to eight and one-half (8.5) hours. This eliminates the current practice of working an extra one-half (0.5) hour on the Fridays of these weeks. Employees working the third shift (3<sup>rd</sup>) (8,8,8,8,7 hour schedule) will start one-half (0.5) hour later than normal on the first shift after a Statutory Monday Holiday and one and one-half (1.5) hour later than normal on the fourth (4<sup>th</sup>) shift of the week that includes Easter Friday.
2. When there are two or three regularly scheduled Holidays before or after the Christmas Holiday Week those days will be increased in length by one-half (0.5) hour. When the Christmas Holiday Period is seven days, the last regularly scheduled work day before the Period will be reduced by one-half (0.5) hour. This latter one-half (0.5) hour will be paid to each employee who meets normal qualifying language (as this day is also a qualifying day for the Christmas Period).
3. In each calendar year four (4) Fridays were agreed to as five (5) hour Holidays (see schedule).

Qualifying rules of Section 8:10 for the first day will apply for the work day before a Friday Holiday. Qualifying rules of Section 8:10 for the second qualifying day will apply for the work day of the Statutory Monday Holiday if it is on the same weekend as a Holiday Friday.

Employees working on the third (3<sup>rd</sup>) shift during the week of a Friday Holiday will work four (4) eight and one-half (8.5) hour shifts on their first four (4) normal shift days for the week and no scheduled hours on the fifth (5<sup>th</sup>) day. On these four (4) days their shift will start one-half (0.5) earlier than normal.

<b>HOLIDAY</b>	<b>2002-2003</b>	<b>2003-2004</b>
<b>Canada Day - Monday (taken as PAA or paid)</b>	June 27 (5.0) June 30 (8.0)	
<b>Civic Holiday - Monday</b>	Aug. 2 (5.0) Aug. 5 (8.5)	Aug. 1 (5.0) Aug. 4 (8.5)
<b>Labour Day – Monday</b>	Aug. 30 (5.0) Sept. 2 (8.5)	Aug. 29 (5.0) Sept. 1 (8.5)
<b>Canadian Thanksgiving Monday</b>	Oct. 14 (8.5)	Oct. 13 (8.5)
<b>Christmas Holiday Period</b>	Dec. 24 (8.5) Dec. 25 (8.5) Dec. 26 (8.5) Dec. 27 (5.0) Dec. 30 (8.5) Dec. 31 (8.5) Jan. 1 (8.5)	Dec. 24 (8.5) Dec. 25 (8.5) Dec. 26 (5.0) Dec. 29 (8.5) Dec. 30 (8.5) Dec. 31 (8.5) Jan. 1 (8.5)
<b>Easter Thursday</b>	Apr. 17 Work (4.5) Off (4.0)	Apr. 8 Work (4.5) Off (4.0)
<b>Good Friday</b>	Apr. 18 (5.0)	Apr. 9 (5.0)
<b>Victoria Day - Friday</b>	May 16 (5.0) May 19 (8.5)	May 21 (5.0) May 24 (8.5)

Yours very truly,

**Kevin Keefe**  
Controller

Letter No. 7

May 5, 1980

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**RE: SIX (6) MINUTE LATE RULE**

This letter will reaffirm that the Company will continue its practice not to deduct wages if an employee is less than six (6) minutes late. However, if the employee is late six (6) minutes or more, he/she will be deducted wages to the nearest 1/100<sup>th</sup> on an hour.

It is understood that nothing in the foregoing shall preclude the Company to consider such tardiness in whole or in part for disciplinary action.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JV/dl

Letter No. 8

May 20, 1980

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**RE: ABSENCE DUE TO CONFINEMENT IN JAIL**

During current labour negotiations the Union requested that the Company policy on absence due to confinement in jail be included in the Letter of Agreement.

The Company agreed and the attached policy is so included in the Letters of Understanding.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

(att)  
/h

**ABSENCE DUE TO CONFINEMENT IN JAIL (SALARIED NON-MANAGERIAL, HOURLY-RATED AND PIECEWORK EMPLOYEES)**

- I. **Introduction:** In order to secure greater uniformity of administration at the Plant, the Company has established the following policy concerning absence because of confinement in jail.

This policy does not alter the existing responsibility of the management of Company operations for the maintenance of efficiency, safe practices, and discipline. Accordingly the local management must determine the necessary discipline for offenses within the Company premises as well as for offences, which occur outside the company premises, but directly involve employment relationships. (Example: An employee who assaults a fellow employee away from the Company premises over a dispute, which arose out of their employment relationship.) Such discipline must be applied by the local management without regard to whether detention, charge or trial by civil authorities is involved, or whether the individual is adjudged guilty or innocent, or is otherwise released by civil processes. Furthermore, if an employee commits an offense (even though it occurs away from the Company premises and does not otherwise directly involve the employment relationship) which results in his/her absence, and such absence, or the circumstances surrounding such absence, culminates a record which when considered in its entirety justifies a disciplinary discharge of the employee, the following policy does not preclude such disciplinary discharge.

I. **Policy**

**A. Absence From Work More Than Five Days**

An employee who is absent for more than five (5) working days without a legitimate reason is terminated as an automatic quit. If such absence is due to confinement in jail or similar detention by civil authorities, and such absence is properly reported, the employee should not be terminated as an automatic quit. The fact that the employee is so confined, however, does not relieve him/her of the obligation to report such absence to the Employee Relations Department. If the employee is absent from work in excess of five (5) working days without so reporting, he/she is terminated as an automatic quit, and he/she can be reinstated only if he/she submits satisfactory evidence that conditions beyond his/her control prevented him/her or someone on his/her behalf from notifying the Company.

**B. Employee Reports Absence Due to Being in Jail for Reasons Not Directly Involving Employment Relationships**

In those cases of offense which occur away from the Company premises and which do not directly involve employment relationships, wherein an employee is confined pending trial or other disposition of the case, no formal action should be taken. During such confinement, the employee should be considered as having a suspended employment status.

Subsequently:

- (1) If he/she is found not guilty, he/she shall be permitted to return to work and will resume his/her employment status.
- (2) If he/she is found guilty (even though he/she receives a suspended sentence), management should then determine whether or not the offense was of such a nature that discharge action should be taken. If the offense is of such a nature that the employee become undesirable, he/she should be discharged immediately. If the offense does not necessarily make the employee undesirable, his/her suspended status shall be extended to cover the period of his/her actual confinement. Such employee must make himself available for work as soon as possible but not later than five (5) working days after his/her suspended status is terminated, or be discharged; but, in any case, if his/her absence from work exceeds a period of six (6) months from the last day worked, he/she shall be discharged.

**C. Employee Released On Bond Pending Trial**

If an employee, who has been arrested, is released on bond pending trial or other disposition of the charge, and he/she has complied with the reporting requirements, he/she shall be returned to work unless the offense with which, he/she is charged is of such a nature that it is determined that his/her presence at work would disrupt efficient and orderly operations, either because the offense is morally offensive to other employees or is such that hostile employee reaction has been created. In that case he/she shall be considered as having a suspended employment status until a final disposition is made of the case.

Letter No. 9

March 7, 1983

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**RE: LEAVE OF ABSENCE VERSUS VACATIONS**

During the 1983 Negotiations the Company and the Union agreed the scheduling of Vacations and Leaves of Absence may be open concurrently, however, vacations would take precedence over the approval of Leaves of Absence for the same slot.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

**NAVISTAR  
NO FAULT ATTENDANCE IMPROVEMENT PROGRAM**

The intent of this program is to improve the plant attendance rate. Should the “no fault” program not significantly improve attendance, then the Company and the Union will mutually re-evaluate the parameters set in this attendance program.

An employee must follow the point system explained below to maintain an acceptable attendance record for each rolling twelve month period.

Half A Point Versus Whole Point

An employee who is late or absent for more than ½ of a shift, will be charged with one full point. An employee who is late from 1 minute to ½ of a shift, will be charged with one-half point. Except that: if an employee misses either a portion of, or a full shift, for authorized absence without pay (H), the employee is charged with 0.5 points.

Note: An employee who has multiple occurrences of absence on one calendar day that total less than one-half shift will be charged one-half point.

Disciplinary Trigger Points

After accruing minimum of nine (9) points, the employee will be verbally warned by his/her immediate supervisor. Disciplinary action beginning with a counselling session will take place when an employee moves one full point beyond the verbal warning: *i.e. employee is verbally warned at 9 points and subsequently has 2 incidents of 0.5 points each, the employee will be issued a counselling session at 10 points*. The next infraction is a written reprimand and each infraction thereafter will continue with the progressive steps of discipline: *i.e. a 5-day suspension, a 20-day suspension, and then discharge*. The employee’s Union representative will be present at the nine (9) point verbal warning as well as all disciplinary sessions.

Unlike the steps of discipline in the contract, the two initial steps (verbal, counselling) will not be carried over. *I.e. if an employee has received a verbal warning at nine (9) points and a counselling session at 10 points but then progresses below the nine (9) point level because of the expiration of points, there will be no carry over of the previous warning and/or counselling thereafter*. If multiple incidents occur in a row, no steps of discipline will be skipped: *i.e., an employee at nine (9) points is absent 3 consecutive days resulting in 12 points, will be issued a counselling session at the 12 point mark*.

Progressive discipline will follow the 2-year carry over duration as outlined in the contract. However, as an incentive to improve attendance, an employee who does not receive a point for six (6) consecutive months will repeat the previous level of progressive discipline for the next infraction. Only at the disciplinary level of discharge will the Company be obligated to prove just cause by taking into account the circumstances related to the last absence or tardy event. The discharge of an employee under this program is arbitrable.

All employees will start the program with zero points, but will retain their previous disciplinary record. An employee who reduces the accrued points to zero will have attendance related discipline removed from the record. To attain zero points, an employee must go at least one year without receiving any points. No points will be charged for any PAA/SPA time scheduled and approved by a supervisor. Any PAA/SPA used “after the fact” will be paid, but will result in points added to an employees record. If, due to severe weather, less than 80% of the active bargaining unit employees arrive for a scheduled day of work, then no points will be charged for that day.

No points will be accrued due to an employee’s absence from work during voluntary overtime. However, an absence during mandatory overtime will result in the accrual of points for this program.

Definition of “Most Recent Twelve (12) Month History”

For the purpose of monitoring attendance the 12 month period will encompass the current month and the



previous 11 months of history. For example, on February 1, at 12:01 AM, the attendance record and points earned for February of the prior year, drop off the records. However, it is also understood that infractions and disciplinary action is based on the date of the infraction. For example, if an infraction occurs of January 31, placing the employee at a point total requiring discipline, the total points will include February of the previous year, even though disciplinary action will not take place until February 1.

Sample:

John Doe	F	M	A	M	J	J	A	S	O	N	D	J	F
Points	2	1	2	1	0	0	1	1	1	0	1	0	0
Total	2	3	5	6	6	6	7	8	9	9	10	10	8

Point System & Disability

During the first five days of an illness, infraction points will continue to accrue against the “No Fault Program”. If, on the sixth day, the employee qualifies for disability benefits, and payments begin, the accrual of points will end and the previous 5 points are removed (except in cases of outside injury less than 6 consecutive days – current code X). If an injury or illness is of such a nature that disability benefit eligibility begins prior to five days, the accrual of infraction points will end on the first date disability benefits are paid and the associated earned points will be removed.

Consecutive days of absence of three (3) days or more, but less than six (6), to which an employee is ineligible for disability benefits will be classified as a “block”. Points resulting from absences in a “block” will be reduced to 1 point (for the last date of absence) provided the employee does not accumulate any points during the next 90 day period.

Should an employee require and seek medical attention at the Occupational Health Centre, and a Company Nurse as a result of measurable medical findings (such as high blood pressure or high temperature) is of the opinion that the employee should leave work and seek further medical attention; no points will be incurred against the employee’s No Fault record.

The data portion of this program is computer generated to identify those employees, plant-wide, who have accrued 9 or more points. The program is designed to monitor the following absentee codes which are now present in the twelve (12) month employee absence recap report #R3369.

- N = No Report\*
- NH = Unauthorized Personal – No pay
- NP = Unauthorized Personal – Paid P.A.A.
- V = Sickness of less than six days (6) consecutive days
- T = Tardy
- H = Authorized Personal (No pay)
- X = Injury outside Accident (absence of less than 6 consecutive days)

Employees remain obligated to notify the Company if they will be absent from work without prior authorization. The implementation of this No Fault Attendance Program will not restrict the Company from taking normal progressive disciplinary action when an employee fails to notify the Company of his/her absence from work, regardless of how many points the employee has accumulated.

Leaves of Absence

Employees may request a Leave of Absence (LA) of five days or more. Requests for a Leave of Absence covering a period not to exceed 5 days may be granted by department superintendents for reasons such as: extended trips, serious illness or death of a member of the family, settlement of an estate, or other extraordinary circumstances. Leaves of absence in excess of five (5) days will be considered under section 14.01 of the Collective Agreement.

February 9, 1988  
Revised: October 25, 1990

To: All Chatham Plant Employees

**INTERNATIONAL**

**SUBJECT: PROOF OF ABSENCE (MEDICAL CERTIFICATES)**

As a reminder to employees who are required by the company to substantiate their absence by means of a medical certificate, the following requirements must be met:

- 1) Must see the Doctor on the first date of absence and the medical certificate must be dated on that date;
- 2) Medical certificate must be signed personally by the attending physician;
- 3) The Doctor must state on the medical certificate that the employee is unable to work on the date(s) in question; or that the employee is "able" to return to work on the work day immediately following the absence;
- 4) The reason why he/she is unable to work must be stated. This does not need to be a diagnosis. The reason stated could be for example, "illness", "injury", or "medical reason", etc.

Thank -You

B.W. Scaman  
Manager Labour Relations

/maw

Letter No. 12

June 11, 1980  
Revised: October 19, 1987  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: UTILITY 107-F**

Both local management and Local 127 are committed to supplying their customers with a quality product at the lowest possible cost. To this end, both parties recognize that this goal can best be achieved through a more stable, better trained utility work force.

The purpose of this letter is to identify the basis on which the utility classifications shall be administered.

An employee classified as 107-F Utility, shall be a person whose prime function is to replace an employee who is absent, except those absences spelled out in Letter **No. 72**.

When assigned as a replacement to a higher labour grade, the 107-F employee will receive \$.25 per hour above the higher grade for the actual time spent replacing.

It is understood that the number of employees in these or any other classification shall not necessarily be in relations to the level of production, but shall be determined by the need and characteristics of the department in which these classifications are used.

When employees, other than 107-F, are assigned as absentee replacements, they will be paid for the actual time spent replacing at the same rate as the 107-F or would have been paid, or his/her own rate whichever is greater.

The Company fully intends to train all 107-F employees on as many different operations as practical, and will endeavor to utilize unassigned replacement time for further training, and other pool work, in some instances, for example high absentee levels, it may be necessary to reassign 107-F employees to other departments.

107-f's will be assigned to each pool as required by the Supervisor. In cases where equal ability to perform the pool assignment exists, then the most senior 107-F will be given his/her choice of assignments. All open jobs will be available for choice each Monday morning. The employee(s)

must make his/her choice known to the Supervisor within one-half hour of placement to be considered. Any job opening in excess of one week will be considered a long term absence. These jobs will be made available for choice on the first Monday following the beginning of the absence and once filled will not be re-opened for choice until vacated by the original 107-F. At that time the job will re-open for choice by seniority and the above language will again apply if applicable. As soon as possible, upon agreement on ability, the switch will be made.

When not required for coverage in the spray paint booths, members of the Spray Paint Utility pool may be assigned to other pools but will only be placed after the Departmental 107-F's.

The foregoing does not restrict in any way the company's right to temporary assign employees as per the Collective Agreement.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 13

October 25, 1993  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: UTILITY 107-F AND PAINT UTILITY POOL VOLUNTARY TURNOVER**

During the 1993 Contract Negotiations, the company and Union discussed the need to reduce the voluntary turnover of the 107-F as well as painter utility pool.

In an effort to address this problem, the following was agreed to:

A monetary lump sum incentive will be paid to each painter utility person, 107-F utility person who remains in their job for a period of twelve (12) consecutive months or longer. An employee will not be entitled to the lump sum incentive if they bid out of their job through either a Pool Change Request or Department Change Request, prior to completing twelve (12) consecutive months on the job.

*For the purpose of this letter, a twelve (12) month period commences on the effective date stated on the posting.*

This incentive will be based on the 50<sup>th</sup> payroll period in each calendar year, based on eligible hours worked.

Employees will accrue an entitlement of \$0.50 for each eligible hour worked prior to the 50<sup>th</sup> payroll week of each year, based on the same criteria as currently applied to the extra \$0.25 per hour premium paid per Letter #12, (Utility 107-F). Therefore, for example, the \$0.50 premium will apply to overtime hours where the subject employee(s) perform their "normal" function.

If an employee bids off the job through either a Pool Change Request or Department Change Request prior to completing 12 consecutive months, the employee will forfeit the entire accrued incentive.

In the case of an employee involuntarily leaving the job, payment will be processed on a pro-rated, time-on-the-job basis on the 50<sup>th</sup> payroll week of that same year. Refer to example "A" attached.

If an employee bids off the job through either a Pool Change Request or Departmental Change Request after completing a minimum of twelve (12) consecutive months on the job, the

employee will be entitled to receive the twelve (12) months of accrued incentive, plus the pro-rated portion in excess of the twelve (12) month period. The incentive(s) will be paid to the employee in the next 50<sup>th</sup> payroll week(s). Refer to example "B" attached.

An employee who, enters the job during the calendar year, and is therefore not able to complete twelve (12) consecutive months to qualify for the incentive prior to the 50<sup>th</sup> payroll week of that same year, will receive a pre-paid incentive, accrued from the date that the employee was placed on the job to the 50<sup>th</sup> payroll week that year. In the event the employee subsequently bids off the job through either a Pool Change Request or Departmental Change Request prior to completing twelve (12) consecutive months, the entire pre-paid incentive will be deducted from the employee's future pay cheques in increments of no more than \$100.00 but not before the employee has been notified. Refer to example "C" attached.

Example "A"

EMPLOYEE INVOLUNTARILY LEAVING THE JOB:

1. Effective date of job commencement: July 15, 1994
2. Employee reduced from the job: September 15, 1994
3. On the 50<sup>th</sup> payroll week of 1994, the employee would receive \$0.50 for each eligible hour worked on the subject position from July 15, 1994 to September 15, 1994.

Example "B"

EMPLOYEE BIDS OFF JOB THROUGH EITHER A PCR OR DCR AFTER COMPLETING A MINIMUM OF TWELVE (12) CONSECUTIVE MONTHS ON THE JOB

1. Effective date of commencement: June 10, 1994
2. Employee bids off job: October 15, 1995
3. Employee would receive \$0.50 for each eligible hour worked on the subject position from June 10, 1994 to the 50<sup>th</sup> payroll week of that same year. (1994).
4. On the 50<sup>th</sup> payroll week of 1995, the employee would receive \$0.50 for each eligible hour worked on the subject position from the week following the 50<sup>th</sup> payroll week of 1994 to October 15, 1995.

Example "C"

EMPLOYEE BIDS OFF THE JOB THROUGH EITHER A PCR OR DCR PRIOR TO COMPLETING TWELVE (12) CONSECUTIVE MONTHS, AND HAS ALREADY RECEIVED A PRE-PAID INCENTIVE

1. Effective date of job commencement: August 20, 1994
2. Employee bids off job: February 25, 1995
3. Employee received a pre-paid incentive of the 50<sup>th</sup> payroll week in the 1994 based on \$0.50 for each eligible hour worked in 1994. An amount equal to the pre-paid incentive received on the 50<sup>th</sup> payroll week in 1994, would be deducted from the employee.
4. The incentive accrued from the week following the 50<sup>th</sup> payroll of 1994 to February 25, 1995 would also be forfeited by the employee.

Yours very truly,  
J.J. Krete  
Manager Human Resources

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: ARTICLE 7.11 (1) REDUCTION OF AVAILABLE WORK IN A DEPARTMENT  
SIMULTANEOUS INCREASE AND DECREASE**

During the 1996 negotiations the Union expressed a concern that the above noted section of the collective agreement was not being used properly. Specifically the concern was that open jobs were not being posted in anticipation of an opportunity to use the Simultaneous Increase and Decrease provision (paragraph 123 to 129 of the 1996 Collective Agreement).

The Company assured the Union that the purpose of the above noted provision is to allow manpower movement within a department to accommodate fluctuations in the work required to be performed. This provision should not be used to avoid the posting of a new job or classification in a Department.

It was agreed that should the Union believe this section of the language is being abused they will arrange a meeting with the Manager of the area.

J.J. Krete  
Manager, Human Resources

Letter No. 15

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: CREATION OF NEW DEPARTMENTS**

During the 1996 negotiations, the Company and the Union discussed the problems associated with the creation and reduction of departments and the effect this has on employees.

In the event that the Company plans to create or change a department(s), the Plant Chairperson will be advised two weeks prior to the purpose of the new department. This will allow the Union with an opportunity to offer its views related to the decision before implementation takes place.

The foregoing does not restrict the Company's ability to create or change departments.

J.J. Krete  
Manager, Human Resources



## Letter No. 16

June 1, 2002

Mr. D. M. Deneau  
Plant Chairperson  
Local 127CAW, International Unit  
Chatham Plant

INTERNATIONAL

Dear Mr. Deneau,

### SUBJECT: PLACEMENT OF MEDICALLY RESTRICTED EMPLOYEES

During the 2002 negotiations, the parties discussed and affirmed their commitment to their obligations under the Ontario Human Rights Code. The subject of this letter is the returning and maintaining of employees' who would be considered disabled under the Ontario Human Rights legislation and has submitted uncontested, bona fide medical restrictions, thereby requiring accommodation in the workplace.

Employees requiring a change in their work placement must provide appropriate, current medical documentation detailing their workplace needs.

If the employee is absent from work for greater than one week a rehabilitation plan will be established by the Occupational Health Center, the employee's supervisor, Union representative and any Human Resource staff required. The rehabilitation plan will include: a) a current job analysis, which shall be used to compare the physical demands of the position versus the employees' physical capabilities and limitations and b) time frames of the employees' expected return to work. Outside resources may be used to make this determination.

The Occupational Health Center personnel will liaise with the employee's health professional regarding job demands and the support services available. Some examples of these services are ergonomics, Employee Assistance, availability of modified /alternate work accommodations, graduated work opportunities, expedited specialist referrals and/or Independent Medical Examinations.

Additionally, the employee will provide his/her Physician with a form, which will require the Physician to detail the specific and detailed workplace accommodation required. For example motions relating to weights, lifting, pushing, pulling, bending, twisting etc. must be clearly defined.

When an employee is certified by a Doctor of Medicine as being able to return to work with medical restrictions and/or when an employee currently at work presents medical documentation from a Doctor of Medicine, detailing the workplace accommodation required, the matter shall be referred to a "Placement Team". The members of the team include a member of the Occupational Health Center, Company and Union Ergonomics/Work Standards representatives and or the Industrial Engineering Supervisor. The Placement Team will notify the Area Manager and Committeeperson of any placement of medically restricted employees in their affected area. This team also has the ability to utilize the services of outside health care resources for assistance in determining suitable placement. (Please note: The Company has the right to challenge medical restrictions submitted by any employee.)

**1st Step:** The Placement Team will determine whether or not the employee requiring alternative work may be placed in their previous position and pool.

**2nd Step:** The Placement Team shall look at all “open” positions within the Department. For the purposes of placing employees in open positions during a manpower posting, the Placement Team will only consider employees whose restrictions are on file two weeks prior to the date of the posting

**3rd Step:** The Placement Team will look at all positions within the Department (except those currently occupied by employees with documented medical restrictions) that the employee is qualified to perform. They will be placed in that position provided they have greater seniority than the incumbent and there is no other position within their seniority that they can perform.

**4th Step:** The Placement Team will look at all positions within the Department, currently occupied by employees with documented medical restrictions. If the employee is qualified to perform the work they will be placed in that position provided they have greater seniority than the incumbent and there is no other position within their seniority that they can perform.

**5th Step:** If there are “open” jobs, Plant Wide, that the employee is qualified to perform they would be considered for these “open” positions prior to the application of the normal seniority provisions. For the purposes of placing employees in open positions during a manpower posting, the Placement Team will only consider employees whose restrictions are on file two weeks prior to the date of the posting.

**6th Step:** The Placement Team will look, Plant Wide at all positions (except those currently occupied by employees with documented medical restrictions) within the Department that the employee is qualified to perform. They will be placed in that position provided they have greater seniority than the incumbent and there is no other position within their seniority that they can perform.

**7th Step:** The Placement Team will look, Plant Wide at all positions currently occupied by employees with documented medical restrictions that the employee is qualified to perform. They will be placed in that position provided they have greater seniority than the incumbent and there is no other position within their seniority that they can perform.

In any case where an employee has a disability that cannot be accommodated in an existing job, and there is mutual agreement between union and management, and a meaningful job can be created by combining productive activities or duties, such employee will be placed in the created job. The employee shall not be displaced from the created job by another employee notwithstanding any seniority provisions of this collective agreement. The company has the right to select the appropriate shift for this work to be performed and retains the right to dissolve the position.

Should the Placement Team be unable to find a suitable position for an employee they will be laid off and deemed unable to perform available work. Any future openings will be assessed to determine if they are suitable for the laid off employee.

Yours truly

Kathy A. Sherring  
Manager Human Resources

June 12, 1980  
Revised: October 25, 1996

Mr. R.E Tindale  
Plant Chairperson Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: TEMPORARY ASSIGNMENTS – FINAL QUALITY CENTRE**

During the 1980 negotiations, the Union requested written confirmation of the past practice on temporarily assigning Final Quality Centre employees to other departments. This practice, which will be maintained, is that the employee with the least amount of seniority will be assigned first. There are three (3) exceptions to this:

- A) If a pool requires an experienced employee for safety reason, it may be necessary to assign a more senior employee.
- B) Certain employees, who are not the junior people, are requested by other departments due to their experience. Our practice is to ask these people to accept the temporary assignment and they have the right to refuse.
- C) Due to extenuating circumstances, such as: snow storms, unusually high absenteeism, etc., it may be necessary for certain employees, who are not the junior people, to be temporarily assigned to other departments due to their experience.

J.O.Vanest  
Manager Human Resources

Letter No. 18

April 14, 1980  
REVISED: October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: ASSIGNING LIGHT DUTY**

This letter is to reaffirm the understanding of both the Company and the Union that when employees are assigned "light duty" as a result of an industrial injury, regular employees (not light duty) will not be displaced from their regular job or shift by reason of such assignment. Employees assigned such "light duty" will be assigned to their regular shift, unless the light duty to be worked is on another shift and the employee agrees to make the required shift change.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

JV/dl

Letter No. 19

June 15, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: TEMPORARY ASSIGNMENTS**

During the 1980 contract negotiations, the subject of temporary assigning Local 127 employees was discussed and resolved with the understanding that problems and/or alleged abuses would be brought to the attention of the Manager, Human Resources by the Plant Chairperson.

Yours very truly,

J.O.Vanest  
Manager Human Resources

Letter No. 20

May 6, 1980  
Revised: October 25, 1993  
Revised: October 25, 1996

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: EIGHTEEN (18) MINUTE LUNCH**

In our 1977 Negotiations, the Company agreed to recognize continuous shifts for some employees in the Paint Touch-Up areas of the Final Quality Centre and to pay an eighteen (18) minute lunch period for an equal number of employees on this operation on each shift, provided that the operation continues to work three (3) shifts.

This is only done with the clear understanding that the Company maintains all of its rights to continue to schedule overlapping or continuous shift operations as dictated by production requirements, equipment and facility capabilities. However, where new operations are introduced, the eighteen (18) minute lunch period will be subject for negotiation.

The current practice for those shifts, which are operating, will be continued (status quo).

Yours very truly,

J.O. Vanest  
Manager Human Resources

Letter No. 21

March 7, 1983  
Revised: November 9, 1984  
Revised: October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SPECIAL HOURS OF WORK**

This letter will confirm agreement reached in the 1984 negotiations regarding working hours which do not conform to the regular working hours.

- (1) The Company will provide one (1) week's notice prior to implementing or cancelling a shift which does not conform to the regular working hours.
- (2) Senior employees will have a choice of shifts.
- (3) Employees on the new shift will not be forced to work more than one (1) hour of overtime prior to this shift.

Yours very truly,

J.J.Krete  
Manager  
Human Resources

Letter No. 22

September 25, 1993  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D. Dejaegher,  
Plant Chairperson  
Local 127 CAW, Navistar Unit,  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: PALLET RACKING ASSIGNMENTS**

During the 1984 Negotiations the subject of who is to install pallet racking in the Plant was discussed and resolved as being the work of any available manpower during regular working hours; and if the job(s) carried over into overtime, the same people would be offered the overtime. When the job(s) is to be done on overtime only, the work will be offered to the millwrights first, and if insufficient manpower is obtained, any available manpower will be offered the overtime.

It is agreed that the installation of heavy-duty racks and the lagging down of all racks is millwright work.

Yours very truly,

J.J.Krete  
Manager Human Resources



October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DUTY OF ACCOMMODATION**

During the 1990 negotiations the Company and the Union agreed to acknowledge their mutual obligations under the Ontario Human Rights Code towards employees with disabilities. This will be reflected in their practices related to returning and maintaining those employees who require accommodation of the specific needs in the workplace.

The parties agreed to accommodate such employees following the provisions of the Collective Agreement whenever possible.

However, both Company and the Union recognize that in cases where the provisions of the Collective Agreement limit the employee's rights under the Ontario Human Rights Code, they are required to accommodate the specific needs of the disabled employee.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: NOTICE OF PERMANENT JOB LOSS & PLANT CLOSURE**

During the 1990 negotiations the parties discussed the need to ensure that the Navistar International Corporation Canada, Chatham Assembly Plant is cost competitive in the manufacturing of world class quality trucks, and, that its employees, who contribute to the success of the Company, have job or income protection should jobs be eliminated as a result of outsourcing, the introduction of new process technology, or plant closure. With these objectives in mind, we have agreed that the understanding listed below will govern the parties in the event that initiatives regarding the above specific action is being considered by the Company relating to any of these situations. This understanding will not apply to normal cyclical fluctuations in demand, or product design changes. It is also understood that this program does not replace other discussions, which already take place between the parties at the Chatham Plant. However, should the Company propose outsourcing for the sole purpose of cost, then the Company will consider any initiative proposed by the Union to offset the job loss.

Whenever one of the above permanent job loss initiatives is being considered by the Company, the parties will have discussion related to the particulars, and the Company will provide up to six (6) months notice to the Union. One year notice will be provided to the Union in the case of plant closure. Notice given to the Union will include the number of employees who could potentially be impacted and the rationale for the initiative. It is understood that the information disclosed during such discussions will be considered confidential. Whenever notice is given, the Union will have the opportunity to make proposals, which could alter or modify the Company's final decision.

The purpose of these subject discussions will be to keep the Union informed of the above related Company initiatives and their anticipated effects on Local 127 jobs, to jointly track the progress of the initiatives, and, to allow the Union an opportunity to make proposals which could make it feasible to retain or replace the jobs in question.

Should the Company decide to implement such an initiative and if the job losses become unavoidable and management decides to reduce the size of the workforce, every effort will be made to use attrition to manage the required reductions. The use of attrition is the subject of a separate letter between the parties.

The parties have agreed to the following process to apply the above understandings:

- 1) The Company and Union will each assign a specific person(s) to jointly track job loss and additional jobs resulting from outsourcing, insourcing or the introduction of new process technology. The parties will jointly develop the tracking process.

The Company will schedule a discussion meeting whenever an initiative(s) is being considered, and notify the Union in writing of the date, place, and time of the meetings. Should either party find it necessary to change a meeting date, the parties will mutually agree on a new date and time. In addition to the individuals assigned to track the job losses and additional jobs, the parties will have periodic discussion meetings as warranted. These periodic discussions will be attended by the Local 127 Chairperson and Vice-Chairperson, Plant Manager, Manager of Manufacturing, Plant Controller and Manager of Human Resources. Should any of these individuals be unable to attend, they will arrange to have an alternative attend in their place (except the Plant Manager). Other involved individuals from both parties will be called on to attend to ensure availability of needed information and expertise. Local 35 representatives will also be invited to attend.

- 2) If during or following discussions outlined in Paragraph #2 above, the Company wishes to pursue an initiative further, it will give the above stated notice in writing.
- 3) The Union will have up to 30 days from the date the Company gives notice per Item #2 above to provide a written proposal(s), which could make it feasible to retain or replace the jobs in question. If the Union does not exercise the option within 30 days, it expires.
- 4) Should the Union exercise the above option, the Company will evaluate the Union proposal over the 30 day period immediately following the date of submission. Should the Company find it necessary to schedule additional discussion meetings with the Union related to its evaluation of the Union submission, it may do so.
- 5) The Company will not implement an initiative referred to above until at least the 30 day period referred to in item #3 above has expired.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 25

October 22, 1990  
REVISED: October 25, 1993  
Revised: June 7, 1999

Mr. D. Dejaegher,  
Plant Chairperson  
Local 127 CAW,  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: PROCEDURES FOR PLANT CLOSURE AND PERMANENT JOB LOSS**

During the 1993 negotiations, in a separate letter between the parties, we described the process that would be followed in the event that restructuring actions may result in permanent job losses. In that letter we agreed that the objective of the parties will be the retention of the jobs in question. We also agreed that if job losses become unavoidable, every effort will be made to use attrition to manage the required reductions.

This letter describes the process that will be implemented, and the benefit entitlements that will be provided to employees under two separate scenarios: 1) closure of the entire plant; and 2) restructuring actions resulting in permanent job losses at the plant. The scenarios are detailed below as follows:

**Entire Plant**

As closure approached and operations begin to wind down, employees who (1) are any age and have 28.1 or more years of credited service: (2) are age 55 or older but less than age 60 and within two years would have sufficient combined years of age and credited service to equal 85 or more: and (3) are age 60 or older but less than 10 years of credited service, will be contacted regarding retirement under the regular early retirement provisions of the Retirement Pension Plan and, if eligible, for Regular Early Retirement, may retire immediately and receive a retirement allowance described in Letter 43, Retirement Allowance Option – Job and Income Protection Plan. Employees who are age 55 or older but less than age 65 and who have ten or more years of credited service (including any such employees who are also eligible for early retirement) will be offered special early retirement commencing on or before the announced closing date, and be eligible to receive a retirement allowance described in **Letter 43**, upon retirement.

At time of closure, remaining employees, including eligible employees who decline to elect regular early retirement or who declined the offer of special early retirement, will be placed on layoff. All such employees with 5 or more years of seniority, except those who meet the age and service requirements for regular or special early retirement (based on an age 55 minimum age requirement for special early retirement), will be eligible to apply immediately upon layoff for a lump sum, payment under the Voluntary Termination of Employment Plan (VTEP). Any laid off Employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because he/she has less than 5 years of seniority at layoff or because he/she meets, at the date of layoff, the age and credited service requirements for regular or special early retirement (based on an age 55 minimum age requirement for special early retirement) will – be eligible for Regular benefits under the Supplemental Unemployment Benefits (SUB) Plan provided he/she has at least one year of seniority as of his/her last day worked prior to layoff. Provided he/she had 5 or more years of seniority as of his/her last day worked prior to layoff and does not meet the age and credited service requirements for regular early retirement upon exhausting his/her eligibility for Regular S/U. Benefits and did not meet the age and credited service requirements for special early retirement (based on an age 55 minimum requirement) at time of

layoff, be eligible for Lump Sum Benefits under the Termination Payment Plan.

An employee with 5 or more years of seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, provided that he/she does not meet the age and service requirements for regular early retirement at the time application is made and did not meet the age and service requirements for special early retirements (based on age 55 minimum age requirement) at time of layoff and provided further that such application is filed within the maximum time limits set forth in the Termination Payment Plan.

### **Permanent Job Loss**

In the event management decides that work force reductions in permanent job loss as a consequence of restructuring actions cannot be accomplished in a timely and efficient manner through normal attrition, the following steps will be taken. These steps will be taken separately for skilled trades and non-skilled trades employees and for skilled trades employees, by trade, with the exception of eligibility for the retirement allowance (i.e. **Letter 43**) where skilled trades and non-skilled trades will be blended::

- 1) Probationary employees will be placed on lay off.
- 2) If the number of separations that can be accomplished through implementation of (1) above is less than the number of jobs that will be lost, employees at any age who have 28.1 or more years of credited service will be offered the opportunity to: (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance describe in **Letter 43** or (b) if not eligible to retire, the employees will receive the retirement allowance described in **Letter 43** as either an upfront lump sum payment (taxes withheld), or a deferred retirement allowance, however, they must continue to work until they reach 29.1 years of credited service while and equivalent number of junior employees are put on layoff in their place. Upon reaching 29.1 years of credited service the subject employees will go to layoff with eligibility for Regular S.U. Benefits until they become retirement eligible. Employees who choose either of these options will not be permitted to revoke their commitment, and must go to retirement once eligible.

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under (1) above, exceeds the number of actual and scheduled separations equals the number of jobs lost.

- 3) If the combined number of separations pursuant to the preceding steps lost, employees (excluding those who may also be in (2) above) who are age 55 or older but less than age 65 and who within one year would have sufficient combined years of age and credited service equal to 85 or more will be offered the opportunity to:
  - (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance described in **Letter 43**; or
  - (b) if not eligible to retire, or if option to (a) not chosen, to be placed on layoff with eligibility for Regular SUB benefits.
  - (c) If the number of employees who accept this offer combined with the number of employees separated or scheduled for separation under the two preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separation equals the number of jobs lost.
- 4) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (including those in 2 (a) or 3 (a) who are age 55 or more but less than age 65 and who have 10 or more years of credited service will be offered special early retirement, and be eligible to receive the retirement allowance described in **Letter 43** upon retirement. If the number of employees separated or scheduled for separation under the three preceding steps, exceeds the number of jobs that will be permanently lost, special early retirements will be approved in seniority order until the combined number of actual and scheduled separations equals the number of jobs lost;

- 5) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who are age 60 or older but less than age 65 and have 10 or more years of credited service or are age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of credited service will be offered the opportunity to be placed on layoff with eligibility for Regular S.U. Benefits. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the four preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost; and
- 6) If the combined number of separation pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of seniority (excluding those in (2), (3), (4) and (5) above) will be offered an opportunity to apply for VTEP. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order until the combined number of actual and scheduled separation equals the number of jobs lost.

These actions will be taken and administered on a site-wide basis.

If these measures fail to stimulate sufficient additional attrition to accomplish the necessary workforce reductions, the reduction in force provisions of the Collective Agreement will be implemented. An employee with 5 or more years of seniority who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and credited service requirements for regular or special early retirement will be eligible to apply immediately upon layoff for a lump sum payment under VTEP. Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because he/she meets the age and credited service requirements for regular or special early retirement will be eligible for Regular Benefits under the S.U.B. Plan provided he/she had 5 or more years of seniority as of his/her last day worked prior to layoff and does not meet the age credited service requirements for regular early retirement upon exhausting his/her eligibility for Regular S.U. Benefits be eligible for Benefits under the Termination Payment Plan.

An employee with 5 or more years of seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such payment, provided that he/she does not meet the age and credited service requirements for regular early retirement at the time application is made and did not meet age and credited service requirements for special early retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Termination Payment Plan.

The above commitments were executed in a spirit that recognizes the need to ensure that Navistar International Corp. Canada, Chatham Assembly Plant produce world-class quality Trucks as efficiently as possible. That recognition, coupled with the commitments we have negotiated to protect the jobs and incomes of our employees, should help to assure that both parties achieve our shared objective of maintaining Navistar International Corporation Canada, Chatham Assembly Plant as a viable entity in the North American market.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 26

June 1, 2002

Mr. Doug Deneau  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

INTERNATIONAL

Dear Mr. Deneau:

**SUBJECT: VOLUNTARY TERMINATION OF EMPLOYMENT BENEFIT PLAN (VTEP) &  
OTHER PROVISIONS**

With ratification of the 2002 contract between CAW Local 127 and International Truck and Engine Corporation Canada, the VTEP agreement will cease to exist.

The current VTEP fund balance is \$1,688,693.00 Cdn as of July 14, 2002. Upon contract ratification, the remaining balance will be utilized to establish a contingency fund for the CAW Navistar Unit Local 127 in the event of plant closure. International Truck and Engine Corporation Canada will make these funds available immediately prior to plant closure.

The CAW Navistar Unit Local 127 Bargaining Committee representatives will administer the distribution of these funds prior to plant closure.

**Kathy A. Sherring  
Manager Human Resources**

**Letter No. 27**

**June 1, 2002**

**Mr. D. Deneau  
Plant Chairperson  
Local 127 CAW  
Chatham Plant**

**INTERNATIONAL**

**Dear Mr. Deneau:**

**SUBJECT: EFFECT OF LETTER DATED APRIL 5, 2002**

**During discussions between the Union and Company, it was agreed the notification dated April 5, 2002 given under the terms of Letter #26 of the 1999 Collective Agreement, will remain effective. The parties agree that the Chatham Assembly Plant may be scheduled for closure provided the decision to do so is made by the Company prior to April 5, 2003. The Company further agreed that CAP will remain open until at least June 1, 2003.**

**Nick Matich  
Vice-President, Truck Operations**



June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: POOL RECEIVING AND STOCKING**

During the 1999 negotiations, The Company and the Union discussed increasing efficiency by combining some functions onto certain pools. It was agreed that the receiving, unloading, loading and line stocking functions will be combined into one pool each for the following areas:

- a. Engine line
- b. Rear Axle line
- c. Fuel tank sub-assembly

The cab trim line and the frame trim line may become appropriate for such a combination of functions in the future. It was agreed that if these two lines are modified the Bargaining Committee would have the authority to review these changes and agree to combine these functions on these two lines, if appropriate.

Yours very truly,

J.J. Krete  
Manager, Human Resources

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant  
**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: HOURLY EMPLOYEE INVOLVEMENT ON SPECIAL PROJECTS**

During the 1999 negotiations, the Company and Union discussed participation of hourly employees in special projects involving product and/or facility changes in the change process. In these kinds of situations the following procedure will be utilized:

1. The Company will determine the quantity of hourly employees needed for the project, as well as the individual experience needed. Individual experience may involve working experience in a relevant department, classification, labour group, pool, shift, etc. It could also involve special skills, training, or other relevant qualifications or certification.
2. Once the Company has determined the quantity and type of experience needed, it will review the known particulars of the project with the Local 127 Plant Chairperson and Vice Chairperson. Particulars will include the anticipated timeframe from planning through to implementation, anticipated events, identification of the individual experiences needed, and if known, identification of employees that the Company feels are best qualified based on the criteria established per item #1 above. The Company and Union will mutually agree to the selection of candidate(s). Selection of candidate(s) will be based on the best qualifications. In the event of candidates with equal skills and ability, the most senior candidate will be selected.
3. Participation in special projects on a temporary, full time basis will be voluntary. Candidates selected by the Company will be allowed 24 hours to determine whether or not they wish to participate. The length of participation for each employee will be determined by the needs of the project and mutually agreed by the Company and the Union.
4. Special Project participants will be replaced by a department 107-F utility person during their absence. For departments without 107-F utility, the person on special project will be replaced by another person from the same classification. Upon completion of the project, the person will return to their original pool, through application of normal seniority provisions of the contract. Employees will maintain their seniority rights during their absence and may bid on openings. Should their bid be successful, they will enter their new pool upon completion of their project, with a department 107-F utility person filling in the pool during the interim.
5. Participating employees who wish to leave a project prior to completion must give a minimum one (1) week notice to the Company. The Company maintains the right to remove a participant from a Project.
6. While assigned on a special project, an employee's vacation and PAA scheduling will be dependent upon its affect on the project, not availability within the employee's home department.
7. Opportunities for overtime will be consistent with Article 8.07.

Yours very truly,  
J.J. Krete  
Manager Human Resources

Letter No. 30

May 12, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale

**SUBJECT: BEREAVEMENT**

During negotiations of the 1980 Labour Agreement, the Company agreed to modify the Administrative Procedures on Bereavement Pay to eliminate the requirement that employee provide certification from a funeral director of attendance at a funeral. Henceforth, the verification that the employee attended the funeral will be certified by the employee on the bereavement pay application form (Exhibit A), provided by the Company.

However, it is mutually understood by both the Company and the Union that if the Company has a legitimate reason for disputing the information testified to by the employee on the form, the onus is on the employee to establish the same to the satisfaction of the Human Resources Department.

A copy of the revised form, Exhibit A, is attached to this letter.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JV/DL  
(Att.)

**Attachment**

**BEREAVEMENT PAY  
HOURLY EMPLOYEES**

**INTERNATIONAL HARVESTER COMPANY  
OF CANADA LIMITED**

**APPLICATION FOR BEREAVEMENT PAY**

Company Location	Department No.	Local Union
Applicant's Name		Payroll No.
Address		Social Ins. No.
City, Province		Postal Code

Regularly Scheduled  
Workdays Absent

Name of Deceased

Relationship

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date of Death

Date and Location of Funeral Service

\_\_\_\_\_

\_\_\_\_\_

I hereby certified that I attended the above funeral services. I understand willful misrepresentation of any material fact in making application for Bereavement Pay will subject me to disciplinary action.

Applicant's Signature

Date

\_\_\_\_\_

\_\_\_\_\_

October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: BEREAVEMENT POLICY RE: VACATIONS AND VACATION SHUTDOWN**

During the 1993 negotiations the Union requested that the Company clarify its policy related to bereavement eligibility during an employees' scheduled vacation or during the annual vacation shutdown(s).

The following situations should clarify the policy related to these periods of time:

Situation A: One or two working days prior to a scheduled vacation or the annual vacation shutdown an employee experiences a death in the family to which the employee otherwise meets the eligibility requirements for three (3) days or four (4) of Bereavement Leave:

The employee will be entitled to the unused balance of the Bereavement Leave after the shutdown.

Situation B: While on vacation during a scheduled vacation or the annual vacation shutdown an employee experiences a death in the family to which the employee otherwise meets the eligibility requirements for three (3) or four (4) days of Bereavement Leave:

If the death and funeral occur during the scheduled week of vacation an employee may:

- return the vacation cheque and reschedule the vacation at a later time, mutually agreed upon with the supervisor, or
- take the appropriate paid bereavement leave per Article 8.11 directly after the scheduled vacation.

If the death and funeral occur during the vacation shutdown, the employee will be entitled to book up to one (1) week of additional time off without pay, at a later time, mutually agreed upon with the supervisor.

-if the death occurs during a scheduled vacation, but the funeral takes place after the vacation, the employee is entitled to the appropriate Bereavement Leave per Article 8.11 immediately after the vacation period.

-If the death occurs during the vacation shutdown, but the funeral takes place after the shutdown, the employee is entitled to the appropriate Bereavement Leave per article 8.11

immediately after the vacation period, up to and including the day of the funeral.

Situation C: While on vacation during a scheduled vacation or an annual vacation shutdown an employee experiences a death in the family to which the employee otherwise meets the eligibility requirements for (1) day of Bereavement Leave to attend the funeral.

There is no entitlement to Bereavement Leave if the funeral occurs during the annual vacation shutdown, however, the employee would be entitled to one days bereavement leave if on scheduled vacation.

\*If the funeral is on a workday after the scheduled vacation or the vacation shutdown, the employee is entitled to Bereavement Leave for the day of the Funeral.

\*NOTE: It is important that the employee notify the Company of the future absence in advance as well as the particulars relating to it to avoid being reported as a “no report”.

Yours truly,

J.J. Krete  
Human Resources

Letter No. 32

May 15, 1980  
September 10, 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: EXPIRY DATE OF BENEFITS**

During the 1980 Contract Negotiations, the Company agreed that laid-off employees would be informed when, and prior to, the expiry of their benefits covered under the applicable Pension, Insurance and Supplemental Unemployment Benefit Plans.

During the 1984 Contract Negotiations, the Company has agreed to include in this practice all employees who are subject to lapsed benefits under the Optional Term Life Insurance.

Yours very truly,

J.J.Krete  
Manager Human Resources

JJK/ad

June 2, 1980

Mr. J.O. Vanest  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DETERMINATION OF ELIGIBILITY (RETIREMENT PLAN)**

During the 1980 contract negotiations it was agreed that grievances requesting a determination of eligibility under the Non-Contributory Retirement Plan would be submitted to the arbitrator only "where the Company specified that the reason for the employee's discharge will result in his/her being ineligible to receive a supplemental allowance."

In the application of this provision such discharged employee will receive a supplemental allowance without being required to process a grievance, unless the reason for such discharge is on of the following:

- (a) a physical act of violence which could cause great bodily harm against any individual employed by the Company;
- (b) sabotage of Company property; or
- (c) theft from the Company for profit.

R.Marchant

:ag

cc: Mr. R. Kotapski



Letter No. 34

May 20, 1980  
Revised: October 25, 1996

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: TUITION REFUND PLAN**

Attached is the most recent copy of International Harvester's Tuition Refund Plan. The eligibility, schools, courses, refunds and administration procedures are outlined within.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

## TUITION REFUND PLAN

### APPLICATION: INTERNATIONAL HARVESTER CANADA

**PURPOSE:** To give employees the opportunity to acquire additional skills and knowledge which are considered important for the employee's career without requiring the employee to incur an undue financial burden.

#### **Policy:**

- 1) The Company will provide tuition refund to eligible employees who have paid for Company-approved education received on a voluntary, off-hour basis.

#### **Eligibility:**

- 2) An employee must be in full-time employment with the Company at the time of enrollment in an approved course and at completion of the course be regularly employed or in a layoff status. Employees discharged for cause or who voluntarily leave their employment with the Company while enrolled in a course are not eligible to receive refund payments. Employees hired as co-operative students are not eligible for tuition refund except for evening courses taken during periods of active employment with the Company.
- 3) Employees must enroll in courses in approved residence or correspondence schools. Courses which will be approved for the Tuition Refund Plan include evening classes offered by secondary schools and technical institutes, certificate courses provided by recognized professional association and all intramural and extension course offered by recognized universities and colleges. Employees may enroll in the above courses in either credit or non-credit capacity as long as a grade or certificate of satisfactory performance is awarded upon the completion of the course.
- 4) An employee must select courses that are acceptable to the Company. Courses must therefore meet one or more of the following conditions:

#### **Acceptable Courses:**

- A) They are job-related – that is, they will tend to improve the employee's performance on his/her current job; or
  - B) They are a part of a curriculum leading to a degree in a field in which is job-related; (in which case the employee must furnish evidence of enrollment, course of study and anticipated degree to the Company) or
  - C) They will help prepare the employee for future assignments with the Company for which he/she might reasonable be expected to qualify; or
  - D) They are courses taken to complete the requirements for a basic education certificate or high school diploma; or
  - E) They are education courses designed to provide a level of competency in basic communications or numerical skills; or
  - F) They are courses of instruction directed towards qualifying an employee as an apprentice in the skilled trades;
  - G) During the 1996 contract negotiations, the Company agreed to include course(s) that are not job-related up to a maximum of one hundred dollars (\$100) per 12 month period.
- 5) An employee must apply for and receive Company approval prior to enrollment in a course as identified on Form No. IR-115. This application must be completed each school term.
  - 6) An employee must complete the course satisfactorily as shown by a written report from the school, which the employee has attended.
  - 7) An employee must present a receipt to the Company within 60 days of the course completion date, indicating that tuition and compulsory fees have been paid.

## **Refunds**

- 8) Upon the fulfillment of each of the above eligibility conditions, the local Operation will reimburse an employee for the full amount of the tuition and certain compulsory fees the employee has paid. The reimbursable compulsory fees include:
  - A) Matriculation fees required with an application for admission to the school.
  - B) Registration fees required when registering for an additional school term.
  - C) Fees applicable to specific classes, such as laboratory fees or fees required for the use of special equipment by all students enrolled in the course.
  - D) Graduation fees required of all candidates for a similar degree.
- 9) The plan does not provide for the payment of other expenses such as textbooks, supplementary course materials, transportation, meals or any other expenses. Non-reimbursable fees include:
  - A) Student activity fees
  - B) Late registration fees
  - C) Installment payment service charges
  - D) Vehicle registration and parking fees
  - E) Special examination fees for course which have been failed or examinations not taken when scheduled.
  - F) Fees which are in the nature of penalties or fines for violation of school regulations.
  - G) Hospital/medical/surgical fees or insurance.
  - H) Fees for use of school recreational facilities.
- 10) When educational are met by scholarships, government aid or benefits, employees will be eligible for a refund only on that portion in excess of the amount of such outside benefits.

## **Administration**

- 11) Applications for Tuition Refund must be submitted to the employee's immediate supervisor for referral to the department head and the individual responsible for local administration of the plan. It is the employee's responsibility to determine eligibility for entering the school and eligibility for enrolling in the courses, before making application to the Company.
- 12) The benefits under this plan may not be withheld from an employee as a disciplinary measure.
- 13) The employee will be notified of the action taken by a returned copy of the tuition refund application.
- 14) Appropriate payment for tuition refund and compulsory fees will be obtained by the person in charge of the plan and given to the employee by the immediate supervisor.
- 15) The person will be responsible for local administration of the plan will be responsible for:
  - A) The recording of additional education on the employee's personal file.
  - B) The submission of the Annual Tuition Refund Plan Report the 12 months ending in June 30 to the Manager, Management Development & Training, Hamilton G.O.
- 16) In the event that the Company requests an employee to participate in courses, institutes, seminars, meetings, voluntary refund does not apply. In cases, the Company will reimburse for business expenses incurred, including reasonable travel and living expenses, tuition fees, required book costs and other instructional expense.

## **RESPONSIBILITY:**

It is the responsibility of the Operation's management representative with the principal accountability in Human Resources to administer this policy.

**EXCEPTIONS:**

Exceptions to this policy may be made only upon the prior approval of the Director, Human Resources.

January 21, 1980

Letter No. 35

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: 90 DAY COVERAGE FOR DRUGS**

This will confirm our understanding reached during these Negotiations concerning the Union request for a ninety (90) day supply on covered drugs.

The Company will identify and prepare a list of those drugs, which are prescribed on a continuing basis for an ongoing medical condition. These drugs appearing on the list will be eligible for a reimbursement of a ninety-day supply.

Yours very truly,

J.R. Marchant  
Manager Labour Affairs

JRM/ap

Letter No. 36

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: INSURANCE CARRIER DENIALS**

During the 1983 Negotiations, the Company agreed to supply the Union with copies of insurance carrier denials to Local 127 represented employees, which are forwarded to the Company.

Yours very truly,

J.R. Marchant  
Manager  
Labour and Employee Relations

JRM/jv

Letter No. 37

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: S & A OVERPAYMENT**

During the 1983 Negotiations the Company and Union discussed the concern over the delay in benefits when it becomes necessary to return the cheque to the carrier for correction. The Company agreed to provide assistance to affected employees, upon request to the Personnel Services Manager, by approving a cash advance in the approximate amount of the actual benefit. The employee must sign a waiver obligating himself to immediate repayment to the Company upon receipt of the revised benefit cheque.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/jv

Letter No. 38

March 7, 1983  
September 17, 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: BENEFIT COVERAGE DURING LEAVE OF ABSENCE**

This will serve to confirm that when vacation falls during a period of approved Leave of Absence, that the vacation will be used to abut either the beginning or the end of the approved Leave of Absence, so that the employee(s) may be extended benefit coverage for the vacation portion of the Leave of Absence.

Yours very truly,

J.J. Krete  
Manager Human Resources

JJK/ad



Letter No. 39

September 25, 1984  
Revised: June 7, 1999

Mr. D. Dejaegher,  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: W.S.I.B. CLAIM DISPUTE**

During the 1984 Negotiations, the Company and Union discussed the procedure for disputing a W.S.I.B. Claim.

If a claim is to be disputed by the Company at the time of the submission of the Form 7, the Company will continue to so indicate on the claim form. If an original claim is subsequently disputed by the Company, or if a denial of a claim is appealed by the Union, each party agrees to immediately advise the other of its action.

Yours very truly,

J.J.Krete  
Manager Human Resources

JJK/ad

Letter No. 40

November 7, 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: BENEFIT INQUIRIES DURING VACATION SHUTDOWN**

During the 1984 Contract Negotiations, the Union expressed concern about a lack of knowledgeable benefit personnel at the Chatham Plant during the annual vacation shutdown period.

The Company has agreed that when there is no one available in the Human Resources Department able to handle a benefit – related problem, the senior manager in the Plant will make every effort to resolve the problem.

Yours very truly,

J.J.Krete  
Manager Human Resources

JJK/ad

Letter No. 41

October 22, 1990  
Revised: October 25, 1993  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: S.U.B. - OVERTIME SUPPORT**

During the 1984 negotiations the Company and the Union agreed that:

1. A Special Fund will be established for and during the term of the 1984 Collective Agreement.
2. Effective October 25, 1996 such, Special Fund will equal an accrual by the Company of \$2.35 per overtime hour worked by all covered employees in excess of five percent (5%) of straight time hours worked by such covered employees – calculated on a twelve month rolling average.
3. During the term of the 1984 Collective Agreement, the Special Fund will be utilized only in support of the SUB Plan, and then only if needed.
4. The use of the Special Fund would be determined solely by the amount of the Credit Union Cancellation Base (CUCB) as determined from time to time under the SUB Plan for the purpose of determining the cancellation rate of Credit Units on the payment of Regular Benefits under the SUB plan. In the event that such CUCB amount otherwise would fall below the applicable amount that would require an increased Credit Unit cancellation rate of 5 Units for employees with 1 but less than 5 years of seniority, the Company will make weekly contributions to the SUB Fund from the balance in the Special Fund. Such Additional contributions amount from the Special Fund would be an amount that, together with the amount of regular Company contributions to the Sub Fund that week, would be sufficient to pay all Regular Benefits then due and payable and still keep such CUCB from falling below the amount requiring the increased cancellation rate described above. At any time the balance of the Special Fund is exhausted, the regular provisions of the SUB Plan would apply.
5. As of the end of the 1984 Collective Agreement period the parties would negotiate the usage of any balance then remaining in the Special Fund.
6. The balance in the Overtime Contingency was \$2,012,197.83

Yours very truly,

K.R. Wilson  
Manager Employee Relations

Letter No. 42

October 23, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DIVERSION OF LEGAL SERVICES FUND TO S.U.B. PLAN**

During the 1993 contract negotiations, the Company and Union discussed using the Legal Services Fund to support the Supplemental Unemployment Benefit Plan, when required.

Accordingly, effective November 1, 1993, Legal Services funds will be diverted to provide SUB benefits when the SUB Funds is below 55%, and is required to pay regular benefits.

However, any such diversion will not reduce the assets of the Legal Services Fund to less than \$100,000.

Yours truly

Ken Wilson  
Manager,  
Employee Relations

Letter No. 43

October 25, 1993  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson,  
Local 127 CAW  
Navistar Unit, Chatham Plant  
**INTERNATIONAL**

Dear Mr.Dejaegher,

**SUBJECT: RETIREMENT ALLOWANCE OPTION – JOB & INCOME PROTECTION**

During the 1993 contract negotiations, the Company and Union discussed methods of providing retirement incentives to employees retirement provisions of the Non-Contributory Pension Plan on the date of a plant closing or permanent job loss as identified under **Letter 25** Procedures for Plant Closure and Permanent Job Loss.

Accordingly, after June 7, 1999 any employee who is retirement eligible under the provisions of **Letter 25** on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of \$42,500, up to a maximum of 110 employees. After 110 employees have elected the \$42,500 Retirement Allowance, this letter will have no further applicability for the duration of the Collective Agreement.

The parties agreed that the receipt of the retirement is in lieu of any SUB entitlement that may have been provided under the provisions of **Letter 25** and the SUB Plan. Acceptance of this option will result in the immediate retirement of the employee.

All payments made under the terms of this agreement will be recoverable from future SUB contributions on a dollar for dollar basis for all pay periods in which SUB contributions exceed the total amount of regular benefits paid and the percentage relationship of fund assets to maximum funding is greater than 40%.

J.J. Krete  
Manager Human Resources

**Letter No. 44**

**June 1, 2002**

**Mr. D. Deneau  
Plant Chairperson  
Local 127 CAW  
Chatham Plant**

**INTERNATIONAL**

**Dear Mr. Deneau:**

**SUBJECT: JOB LOSS**

**During the 2002 negotiations, the Company and the Union discussed the number of “Retirement Incentives” remaining under the terms of Letter #43. The parties agreed that of the 110 Retirement Incentives initially available under Letter #43, there are 43 Retirement Incentives remaining.**

**For the term of the Agreement the Company agreed no more than 43 jobs will be outsourced.**

**Nick Matich  
Vice-President, Truck Operations**

October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: MAINTANCE DEPARTMENT AND PLANT SERVICE DEPARTMENT  
WEEKEND SHIFT EQUIVALENCY FOR BENEFITS**

With the introduction of a new work schedule in the maintenance department, A Monday – Thursday shift (39 hours work) and a weekend shift, Friday, Saturday, Sunday, (36 hours work, pay for 44 hours), employee benefits will be credited in the following manner:

**P.A.A. Hours** – entitlement will be calculated in the same manner as throughout the plant, one (1) week of vacation converted to P.A.A. is equal to 40 hours time off. Pay for P.A.A. for hours requested at the unfactored rate. P.A.A. taken by a weekend shift employee will be factored up by 1.1 times the base rate, including COLA. In other words, one week of vacation converted to P.A.A. will not increase the total compensation an employee would have received had it remained as vacation.

**Holiday Pay** – Employees on Monday – Thursday shift who are eligible for a holiday with pay, will receive pay for the holiday equal to the total hours of their normal straight time shift. Employees on Friday – Sunday shift who are eligible for a holiday pay, will receive 12 hours pay for the holiday at the factored rate. Employees on a Friday – Sunday shift who are eligible for a holiday with pay, will also receive 12 hours pay for a holiday that falls on a Monday at the factored rate.

**Company Contributions to Funds** – benefit funds such as Legal Aid, Social Justice, S.U.B., and Paid Education Leave which use hours of work for determining contributions, for the weekend shift employees, will be adjusted to reflect a contribution for 40 hours when actual hours of work equal 36.

**Government Reporting** (Friday – Sunday shift) – Where hours of work are used for determining employee benefits by a governmental agency, the hours reported will be adjusted to reflect 40 hours when actual hours of work total 36. Where employee benefits are determined by the weekly base pay, earnings calculated for 44 hours of pay will be reported.

**Pension Credit** – Credit for the Friday – Sunday shift of work will be the equivalent of 40 hours worked.

**S & A** – Benefits will be paid at an equivalent percentage of gross earnings for Friday – Sunday shift employees as payable to the Monday – Thursday employee's percentage of gross earnings.

S & A Benefits for the Friday – Sunday shift will be effective after the third work day of illness.

**Bereavement**

The maximum amount of bereavement time off allotted will be applied to each work week schedule such that they represent an equivalent amount of time off. In other words, each weekend shift work day will equate to approximately 7.2 hours of work time (one fifth of the work week length of 36 hours for weekend shift employees) with the exception of the 1 day (12 hours) bereavement entitlement. Therefore, the following allotment will apply:

<u>5 Day Work Week Maximum Bereavement Time Allotment</u>	<u>Weekend Shift Work Week Maximum Bereavement Time Allotment</u>
1 day	12 hours
3 days	24 hours
4 days	30.5 hours

\*Note: Twelve hour bereavement entitlements will only be granted if the funeral (which the employee must attend) is on a weekend shift workday. Otherwise, there will be no entitlement.

Yours very truly,

K.Keefe  
Plant Controller



Letter No. 46

October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: RATES FOR WEEKLY SICKNESS & ACCIDENT BENEFITS**

During the 1990 negotiations the Company agreed that for the purposes of determining an employee's applicable rate for Weekly Sickness and Accident Benefits, the amount of COLA payable on the first and second anniversary dates of the Agreement will be folded in.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

Letter No. 47

October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher,  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: MATERNITY, PARENTAL AND ADOPTION LEAVES**

During the 1999 negotiations the Company and the Union discussed the benefit entitlement related to Maternity, Parental and Adoption Leaves.

The Parties agreed that the signed agreement titled "Guidelines – Maternity Adoption and Parental Leave of Absence" will contain the details regarding this benefit.

John Krete  
Manager, Human Resources

Letter No. 48

October 22, 1990  
Revised: October 25, 1993  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson,  
Local 127 CAW  
Navistar Unit,  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: COST OF LIVING TRANSFER – EMPLOYEES UNDER THE HIRING – IN RATE**

This will confirm the understanding reached during the 1996 negotiations that employees under a hiring rate on (effective date of new contract) will have the full amount of the Cost-of –Living Allowance under the Collective Agreement (\$0.63) transferred to their base wage rates on (effective date of agreement) even though this will raise their base rate above the appropriate percentage of the negotiated classification rate of the job to which they are assigned based on their number of weeks of employment completed as provided in Article 15 of the Collective Agreement. When they complete an increase to the negotiated classification rate of the job to which they are assigned as prescribed in Article 15 in the 1996 Collective Agreement.

Yours very truly

J.J. Krete  
Manager Human Resources

Letter No. 49

October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SOCIAL JUSTICE FUND**

During the 1990 negotiations, the parties discussed the Union's plan to establish a Social Justice Fund. The purpose of this fund would be to provide financial assistance to such entities as food banks, registered Canadian charities, and international relief measure to assist the innocent victims of drought, famines and other dislocations.

Subject to the following conditions, the Company will make quarterly contributions to such a fund equal to one cent (\$.01) for each straight time hour worked in the preceding thirteen (13) week period on the following dates:

Hours Worked	Payment Date
10/27/96 – 01/25/97	02/28/97
01/26/97 – 04/26/97	05/31/97
04/27/97 – 07/36/97	08/31/97
07/27/97 – 10/25/97	11/30/97
10/26/97 – 01/24/98	02/28/98
01/26/97 – 01/24/98	02/28/98
04/36/98 – 04/25/98	08/31/98
07/26/98 – 07/25/98	11/30/98
11/01/98 – 01/30/99	02/28/99
01/31/99 – 05/01/99	05/31/99
05/02/99 – 07/31/99	08/31/99
08/01/99 – 10/30/99	11/30/99

The Company will make these quarterly payments provided that:

- (a) The Union incorporates the fund as a non-profit corporation under the Canada Corporations Act, and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met;
- (b) The Union registers the non-profit corporation as a charity under the Income Tax Act of

Canada and maintains the registration in good standing:

- (c) The Union obtains and maintains a favorable Income Tax Ruling from the federal Department of National Revenue that all contributions which the Company makes to the non-profit corporation are tax deductible;
- (d) The Union provides the Company with annual audited financial statements of, and summaries of each year's donation made by the non-profit corporation;
- (e) The objects, by-laws and resolutions of this non-profit corporation should limit it to making the following types of financial contributions:
  - (i) contributions to other Canadian non-partisan charities that are registered under the Income Tax Act,
  - (ii) contributions to non-partisan international relief efforts that are recognized by the Canadian International Development Agency (CIDA), or any successor body that performs like functions,
  - (iii) contributions to any Canadian or international non-partisan efforts to which other Canadian charities that are registered under the Income Tax Act are also making financial contribution,
  - (iv) contributions to any non-governmental and non-partisan development group recognized by CIDA and registered as a charity under the Income Tax Act.

It is agreed by the parties that the Company shall be under no obligation to begin making the quarterly contributions set forth above until such time that the requirements of points (a) to (d) above have been, and are continuing to be met. Upon the Union providing this documentation to the Company, the Company at the next quarterly contribution date, will make that contribution and all previously unpaid quarterly contributions to the fund's non-profit corporation.

Thereafter the Company will pay each subsequent quarterly contribution as set forth above, as long as the requirements of points (a) to (d) above continue to be met by the Union.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

Letter No. 50

October 22, 1980

Mr. R.J. Hamilton  
Plant Chairperson,  
Local 127 CAW  
Navistar Unit,  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: CONSIDERATION OF LEGAL SERVICES PLAN APPLICABILITY TO  
MATTERS UNDER UNITED STATES LAW**

During the 1990 negotiations the Company and the Union discussed provisions of the C.A.W. – Navistar Legal Services Plan (the “Plan”) which provides benefits only in matters arising under law(s) in Canada. There are Participants, as defined in the Plan, who may have legal matters that would qualify for Benefits under the Plan except that those matters arise under law(s) in the United States.

This issue is complicated by a number of factors such as lack of information concerning the number of Participants that may be covered, potential tax and legal applications and the fact that certain legal services provided in the United States may cost substantially more than those same services in Canada. The parties are committed to making a good faith effort to expeditiously address this issue after the current negotiations are completed. It is understood that any arrangements agreed upon to apply Benefits under the Plan to U.S. legal matters would be limited to covering comparable matters to those set forth in Section 5.03 of the Agreement between the Company and the Union which established the Plan, and would be further limited to paying the identical benefit fees, in Canadian dollars, that would otherwise be paid under the Fee Schedule which forms part of that Agreement.

J.J. Krete  
Manager Human Resources

October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW,  
Navistar Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: PENSION CREDITS**

During the 1999 negotiations the Company and the Union discussed providing pension credits to certain employees represented by Local 127 for certain periods not worked due to layoff. It was agreed that an employee who was in active service with the Company on June 7, 1999, or returns to active service, without a break in seniority, prior to June 1, 2002, and who with or without the benefits of this letter, becomes eligible for normal retirement or regular early retirement, as defined in Article 1 of the Non-Contributory Retirement Plan, before June 1, 2002, shall be entitled to receive, upon making proper application during the term of this Agreement, additional credited service equal to the excess, if any, of:

- 1) The sum of the employee's years of continuous seniority service to May 31, 1999, using the table in Article VII, Section 7.05 (c) (iii) of the Non-Contributory Retirement plan to convert months over to tenths of a year;
- 2) The employee's credited service as of May 31, 1999, computed without regard to this letter.

The Company and the Union understand that for the provisions of this letter to become effective all interested parties must approve and sign this letter and an appropriate Amendment to the Non-Contributory Retirement Plan must be filed with, and approved by the Ontario Pension Commission.

In order to finance this additional pension credit it is agreed that the funding of the Legal Services Plan will be reduced by \$.02 for each straight hour time worked from June 7, 1999, until June 1, 2002 at 12:01 am, or until the cost of this amendment is fully recovered, whichever is later.

Very truly yours,  
Kevin P. Keefe  
Plant Controller

Letter No. 52

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: SERVING DISCIPLINARY SUSPENSIONS**

During the 1996 negotiations the Company and Union discussed the Company practice of not offering premium overtime to employees serving disciplinary suspensions that start prior to a weekend but do not end until after the weekend. In resolution of this issue the Parties agreed that five day disciplinary suspensions issued due to an employee's absenteeism will be served commencing the Monday following the date the decision to discipline is made.

It was further agreed that any other suspensions of five days or less will not effect eligibility for premium overtime provided they are not on suspensions related to Willfully Withholding Effort or Sexual Harassment. Additionally, should an employee's actions compel an off-shift Supervisor to immediately suspend an employee during the Friday shift, there will be no entitlement to premium overtime for that weekend.

Yours Sincerely,  
J.J.Krete  
Manager Human Resources



Letter No. 53

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: EMPLOYEE DISCIPLINE**

During the 1996 Negotiations, the Company agreed to continue the practice of considering an employee's overall discipline record, and the period of time since prior discipline was issued. Also, as is the current practice, improvements in an employee's behavior will be considered, not simply the length of time between incidents, which result in discipline.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 54

October 19, 1987  
Revised: October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

**SUBJECT: ABSENTEE CONTROL**

Dear Mr. Hamilton,

Current high levels of absenteeism negatively affect our product and jeopardize the long-term viability of our plant. During the 1987 negotiations, the parties discussed and agreed to amend the present levels of progressive discipline related to absenteeism to that which is listed below. These revised levels will become effective upon contract ratification.

- i) Levels of progressive discipline:
  - counseling session
  - written reprimand
  - five (5) day suspension
  - twenty (20) day suspension
  - discharge
- ii) The "working option" will be discontinued for all suspensions.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

Letter No. 55

June 3, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: DELAYED DISCIPLINE**

Under normal circumstances it is the Company's policy to take appropriate and immediate disciplinary action against employees when it is warranted. However, it must be recognized that, on occasion, where a number of suspensions at the same time would jeopardize production, it may be necessary to delay the disciplinary layoff of an employee. If such circumstances should arise or need for further investigation occurs the Company will discuss the situation with the Union Plant Chairperson and review all possible alternatives in order that the purpose and intent of this letter be maintained.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JOB/sh

Letter No. 56

April 23, 1980  
October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: UNFIT EMPLOYEES**

This letter will reaffirm the understanding of both the Company and the Union, that a Union Representative (normally – the Departmental Committeeperson or Steward and upon request the Plant Chairperson) will be present when the Company assesses a person who reports for work in an unfit condition. Such employee will be immediately removed from the work area while such assessment is being made.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JOV/sh

Letter No. 57

March 7, 1983  
REVISED: October 25, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DISCIPLINE BY MAIL**

During the 1983 Negotiations, the Company's practice of issuing discipline by mail was discussed.

The Company has assured the Union that discipline will be issued by mail only in those cases where a laid off employee leaves the plant prior to it being possible to conduct a disciplinary interview.

In these cases, the Company will notify the Union prior to issuing the discipline.

In addition, during the 1990 Negotiations, the parties agreed that discipline can be administered by mail to an employee(s) who is absent for reasons other than layoff, provided the employee(s) is given the option of Union representation prior to the issuance of the discipline.

Yours very truly,

J.J.Krete  
Manager  
Human Resources

JOB/sh

Letter No. 58

May 6, 1980

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: REINSTATEMENT OF GRIEVANCES**

The Company and the Union have long recognized that the mutually satisfactory resolution of employee complaints in the grievance procedure, by authorized Company and Union officials, results in a final and binding determination for both parties as well as the employee involved. The parties' recognition of this principle has contributed stability and certainty to the grievance procedure. Accordingly, the Company views any attempts to reinstitute such claims by either party as being antithetical to the purposes for which the grievance procedure was established.

Any grievance that (a) is not processed or (b) is disposed of under procedures adopted by the Company and the Union in the implementation of the Grievance Procedure, shall be considered settled, and such settlement shall be final and binding upon the company, the employee or employees involved, the union and its members. However, subject to the aforementioned provisions, in those instances where the U.A.W.'s International Executive Board, Public Review Board, Constitutional Conventional Appeals Committee, or any outside agency having jurisdiction has reviewed a grievance disposition and found that such disposition was improperly concluded by the Union body or representative involved, the Agricultural Implement department may so inform the human Resources staff of the Company and request in writing that such grievance be reinstated in the parties' grievance procedure at the same level at which it was originally settled. After receipt of such written request, the grievance will be so reinstated by the Company.

It is understood by the parties, however, that the Company will not be liable for any back pay claims from the time of original disposition to the time or reinstatement of any such grievance shall be conditioned upon agreement by the Union and the employee(s) that neither will pursue such back pay claim against the Company.

This letter is not to be construed as modifying in any other way, either party's right or obligation pursuant to the Collective Agreement or the final and binding nature of any other grievance resolutions. It is also understood by the parties that this letter of understanding and the Company's obligation to reinstitute grievances consistent with the conditions set forth above and upon written request from the Union, can be terminated by either party upon thirty (30) days notice in writing to that effect.

Yours very truly,  
J.O. Vanest  
Manager  
Human Resources

JV/dl

Letter No.59

June 12, 1980

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: INVESTIGATIVE INFORMATION**

During the 1980 contract negotiations, the Company agreed that it would continue its past practice of supplying information to Union Committeepersons and/or Stewards necessary for the proper investigation of employee grievances and complaints.

It was further agreed that in doing so, normal requests would be made through the Union Representative's immediate supervisor with disputes being referred to the Labour Relations Manager.

Yours very truly,

J.O.Vanest Manager  
Human Resources

JV/dl

Letter No. 60

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
CAW Local 127  
Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton:

**SUBJECT: GRIEVANCE MEETINGS**

During the 1996 negotiations the Company and the Union discussed the problem of delayed second step grievance meetings due to people not being available. In today's business environment there are multiple conflicting priorities that interfere with meetings.

In an attempt to resolve this situation, the Manager, Manufacturing and the Plant Chairperson agree that attendance at second step grievance meetings will be a high priority, when the required people are in the building. The Parties further agree to address issues to ensure delays are minimized.

P.J. Brennan  
Manager, Manufacturing



Letter No. 61

October 25, 1993  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton:

**SUBJECT: EXPLANATION OF PRODUCTION STANDARDS**

During the 1996 contract negotiations the Company agreed that before any hourly employees are observed for the purpose of establishing production standards, the Industrial Engineer conducting the observation will explain the method or process that will be used with the involved operator(s).

Yours truly,

D.P. Meloche  
Superintendent  
Industrial Engineering

Letter No. 62

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

**SUBJECT: STANDARD DATA QUALIFICATIONS**

Dear Mr. Hamilton,

During the 1996 Contract negotiations, the Company and the Union discussed the issue of establishing a minimum level of qualification for Industrial Engineers who set work standards at the Chatham Plant by Predetermined Times.

It was agreed that effective with these negotiations, a passing grade level of at least 80% is mandatory for the "Basic MOST" and "Computer MOST" courses. All Industrial Engineers, as well as any representatives of the Union who will review work standards, must attain this level.

Yours truly,

R.C. Martens  
Industrial Engineering Manager

Letter No. 63

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: VIDEO TECHNOLOGY**

During the 1999 negotiations, the use of Video technology was discussed. Video technology will be one of the methods used by Industrial Engineering in the establishment of work assignments. The application of this technology will be used where feasible; taking into consideration that all work functions must be captured.

Yours Very Truly,

R.C. Martens  
Industrial Engineering Manager

Letter No. 64

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: ACCESS TO LABOUR FILES**

During the 1999 negotiations, the Union expressed concern about their inability to be aware of new studies or estimates that had been established. In order to resolve issues, it is agreed that the "Station Assignment System" (SAS) will be made accessible to the Work Standards Representative, the Plant Chairperson or designee, and the 2<sup>nd</sup> Shift Committeeperson or designee, in order to monitor new labour estimates being applied to the shop floor. This includes review of any studies or pool assignments changes stored in the Industrial Engineering Department.

Yours very truly,

R.C. Martens  
Industrial Engineering Manager

Letter No. 65

October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: OVERTIME FOR TRAVELING**

During the 1990 Contract Negotiations, the Company and Union discussed the issue of paying overtime for hours outside the normal shift schedule of hours to conduct Company business.

The Company agrees to consider time spent of normal hours as "time worked" and therefore will pay overtime under the following conditions:

1. Only Local 127 employees working in Chatham at the Chatham Plant on a full-time basis will be eligible for overtime under this provision.
2. As with any other overtime, the itinerary must be approved prior to departure by the employee's Department Manager.
3. Overtime will be authorized to be paid for hours in excess of the employee's normally scheduled work hours on the travel day. "Time worked" will start at the time the employee leaves the Plant, or home if the departure is earlier than the employee's normal shift start time. As well "time worked" will start at the time the Company business at the remote location is scheduled to begin if travel was on the previous day or for any other days at that location. For example, if an employee is at another Company location that works 8:00 a.m. to 5:00 p.m. with 1 hour lunch, the employee's work day will be 8 hours.
4. Reasonable and normal travel time, on a portal-to-portal basis will be considered as "time worked".
5. Should the employee leave from home or go directly home from the remote location rather than leave or return to the Chatham Plant, the actual travel time to/from home or to/from the Plant will be considered "time worked".
6. The parties agree this procedure will apply for travel requested by the Company but will exclude travel to the Summer Conference, Navistar Safety Conference, Health and Safety conferences and other Company sponsored seminars. Other travel requested by the employee or Union as well as travel for the purposes of retaining or obtaining professional or other licenses will not result in overtime for travel.

Yours very truly,  
J.J. Krete  
Manager Human Resources

Letter No. 66

November 9, 1984

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: MANDATORY OVERTIME SUBSTITUTION**

During the 1984 Contract Negotiations, the Union requested an option for employees who would rather work overtime than those already scheduled for mandatory overtime.

The Company agreed to allow this option to employees who notify the Supervisor supervising the overtime, of their desire to work, providing the supervisor is satisfied that the substitute is fully capable of performing the work in question, and that the employee being replaced is willing to pass up the overtime opportunity.

Any employee wishing to substitute for another employee on notice of mandatory overtime has the same responsibility to work the overtime as the employee being substituted. The employee being replaced will be credited as a refusal for overtime records purposes.

This agreement shall not alter the purpose or intent of any provision of the collective Agreement.

Yours very truly,

J.J.Krete  
Manager Human Resources

November 9, 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: CAPABILITY TO PERFORM OVERTIME ASSIGNMENT**

During the 1984 Contract Negotiations, the Company and the Union discussed the concept of what determines whether or not an employee is qualified to perform the overtime assignment, from a capability standpoint.

In determining if an employee is capable of performing the overtime assignment in question, the following criteria serve as a guideline:

- 1) The employee must be able to complete the overtime assignment in its entirety.
- 2) The employee must be able to perform the overtime assignment without the need of verbal or written instructions from a "how" to do the job standpoint. N.B. – Both parties recognize that the employee will require instructions as to "what" the supervisor requires to be done.
- 3) The employee must be able to perform the overtime assignment in a manner that meets the normal quality standards of the Plant.
- 4) The employee must be able to perform the overtime assignment in a safe manner.

J.J. Krete  
Manager Human Resources

Letter No. 68

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson, Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: POOL OVERTIME ELIGIBILITY**

During the 1996 negotiations, the Company and the Union discussed the subject of Pool Assembly. Overtime eligibility within the Pool Assembly is based on the premise that workers must be capable of performing all overtime assignments within their pool. An employee will then be considered a "normal operator".

Upon entry into a pool, the employee will register for the work he/she is capable of performing with Departmental Supervision, via a list of all "blocks of work" include air dryer assembly and installation, shock installation, frame rail welding, etc. Additional eligibility will be gained as employees become capable of performing additional "blocks of work." Once a "block" is added to the list, the employee will be eligible for overtime as a "normal operator", for that "block of work", per the provisions of Article 8.07, par. 222.

After all initial pool training is completed and pools are fully operational, an employee must be capable of performing the entire overtime assignment, whether it encompasses one "block of work" or more, in order to be held liable for an overtime opportunity missed relating to "block(s) of work" not included on the employee's list.

J.J.. Krete  
Manager Human Resources



June 1, 2002

Mr. D. Deneau  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Deneau:

**SUBJECT: HOURS OF WORK**

During the 2002 negotiations the Parties agreed to implement the attached hours of work schedule. The Parties also agreed they can mutually agree to modify the attached hours of work schedule, provided that 48 hours of work per week may be scheduled (nine hours of mandatory overtime). However, the parties further agreed that any requirement to work on Saturday does not apply to "Holiday weekends –i.e., Easter, Victoria Day, Canada Day, Civic Holiday, Labour Day, and Thanksgiving.

The Company agreed that when the decision to work a mandatory Saturday overtime is made, the Union will be given fifteen (15) days notice.

Dave Boland  
Plant Manager CAP

**48 HOURS OF WORK – WEEK**

<i>DAY</i>	<i>START &amp; FINISH</i>	<i>NO. OF HOURS</i>
<b>MONDAY</b>	6:30 a.m. - 3:30 p.m.	8.5 hours
<b>TUESDAY</b>	6:30 a.m. - 5:30 p.m.	10.5 hours
<b>WEDNESDAY</b>	6:30 a.m. - 3:30 p.m.	8.5 hours
<b>THURSDAY</b>	6:30 a.m. - 5:30 p.m.	10.5 hours
<b>FRIDAY</b>	6:30 a.m. - 11:30 a.m.	5.0 hours
<b>SATURDAY</b>	6:30 a.m. - 11:30 a.m.	5.0 hours
<b>TOTAL HOURS</b>		<b>48 HOURS</b>

Letter No. 70

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: OVERTIME LIMITS**

During the 1996 negotiations the Company and the Union discussed the conflict between provisions of the Employment Standards Act and the overtime entitlement provisions of the Collective Agreement, when affected employees have reached the legislative overtime limit. The Company discussed its need for competitive costs to assure continued employment for employees, timely delivery to customers and a fair return to shareowners. These discussions focused on ways to eliminate overtime and, if possible return laid-off employees to active employment. In these discussions the parties recognize that overtime of a short duration, unexpected production problems, excessive absenteeism, short-term schedule changes and similar problems may not lead to the recall of employees from layoff.

It was agreed that when overtime permits are requested the undersigned positions will meet with the Union and discuss all options. When the discussions confirm the overtime need, then the Union will support the Company's request for additional overtime hours from the Government.

L.E. Clement  
Plant Manager

P.J. Brennan  
Manager Manufacturing

J.J. Krete  
Manager Human Resources

Letter No. 71

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

**SUBJECT: PRODUCTION OVERTIME SKILLED TRADES COVERAGE**

Dear Mr. Hamilton,

During the 1996 negotiations the Company and the Union discussed the issue of having adequate numbers of skilled trades employees at work to cover periods when production is working overtime. The parties agreed that there will be an adequate and prudent number of employees at work during the periods when the main line is working overtime.

Yours very truly

R.A. Iacobelli  
Manager,  
Manufacturing Services

Letter No. 72

March 7, 1983  
Revised: October 19, 1987  
Revised: October 25, 1993  
Revised: October 25, 1996

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: SCHEDULED OVERTIME**

During the 1983 Negotiations, the Union expressed concern over the Company's practice of forcing employees to work scheduled overtime (ref.par.222) when the employee is not the normal operator on the job in question.

The Company agreed that the only exception to normal operators being scheduled for overtime will be in the case where a large group of employees are scheduled, and, there is likelihood that absenteeism will require 107-F's (from the same area) to meet the production requirements. If at the time of scheduling the overtime, a 107-F employee is the normal operator, he/she will be scheduled to work. In the case of smaller groups, where the normal operator returns for the day of scheduled overtime, he/she may voluntarily elect to work the overtime, or the scheduled 107-F will fulfill the requirement. (Will not circumvent the employee's rights that are on the supplemental overtime list.)

When a large number of employees, for example, a full trim line or an engine line work, the supporting 107-F operators will be scheduled and the Union Steward from the same zone and shift will be offered the overtime.

When the entire plant is working mandatory overtime, all Union representatives from the same shift will automatically be entitled to work needing to be offered the overtime.

J.O. Vanest  
Manager Human Resources

Letter No. 73

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: OVERTIME HOURS DURING OUTSIDE CONTRACTING**

The parties agree that when outside contractors are brought into the plant to do work, subject to the provisions of **Letter 106**, the Company will offer overtime to the Chatham Plant Skilled Trade(s) employees within the same trade utilized by the contractor. Such overtime will be offered during the period of the contract, and , will never exceed the number of hours given to the contractor during the same period of time.

Regardless of this agreement, Chatham Plant Skilled Trades employees will not work more than a total of sixty (60) hours per week (including regular and overtime hours) as a result of this agreement.

This letter recognizes that emergencies may occur from time to time , that will hinder production. This may require additional hours to be offered. The Company will notify the Union of such condition.

Yours very truly,

R.A. Iacobelli  
Manager, manufacturing Services

Letter No. 74

May 15, 1980

Mr. R.E. Tindale  
Plant Chairperson, Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: SHIFT PREMIUM DURING OVERTIME HOURS**

During the 1980 contract negotiations the Company agreed to continue the present application of Shift Premium during overtime hours. Following are the procedures for such payment as discussed between the Company and the Union.

1. Day shift employees, who work overtime prior to and/or after their shift, are not eligible for Shift Premium payment, even though these hours overlap onto another shift.
2. Afternoon and third shift employees, who work overtime either before and/or after their regular shift, will be paid Shift Premium at the same rate as they would normally receive on their regular shift. e.g. A second shift employee would receive Second Shift Premium for all overtime hours worked regardless.
3. The only exception to this application would be on premium days, such as Saturday, Sunday and Holidays, where the shift hours are changed for whatever reason. e.g. Dept #8 – On Saturday overtime, the first shift is scheduled from 7:00am until noon, and the second shift is scheduled from 12:00 noon to 5:00pm. In this case, the shift hours have been rescheduled and therefore, Second Shift Premium would be paid to those second shift employees affected.

J.O. Vanest  
Manager Human Resources

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson, Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: PLANT CHAIRPERSON'S OVERTIME RIGHTS**

Both the Company and the Union recognize that there will be occasions when it is in the best interest of both parties for the Plant Chairperson to work beyond normal shift hours. This letter will confirm their understanding relating to the above subject.

The Company will approve overtime at the applicable rate to cover the following circumstances:

- 1) When the Plant Chairperson is attending a meeting with a member(s) of management, and both parties wish to continue through to completion.
- 2) When the Plant Chairperson is actively pursuing solution to a pressing problem that will require additional time beyond the normal shift to facilitate a resolve.
- 3) When a problem requiring the immediate attention of the Plant Chairperson erupts during off shift hours necessitating his/her return to the plant. Remuneration in this case will cover only the actual amount of time spent attending to the problem at hand, unless called in by the Company.

It is further understood that all overtime worked per the above will require prior approval of the Labour Relations Manager, or in his/her absence, another member of management from the Human Resources Department.

Yours very truly,

J.O. Vanes  
Manager Human Resources

Letter No. 76

May 8, 1980

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: VACATION, SPA, PAA OVERTIME ENTITLEMENT**

During the 1999 contract negotiations the Company and the Union agreed that for the purpose of overtime, employees scheduled for a full week (Monday – Friday) of Vacation, SPA or PAA are entitled to premium overtime for the weekend immediately preceding and following the scheduled week of absence.

When one of the holidays outlined in **Letter 6** falls within the employees scheduled week of Vacation or SPA, there is no entitlement to premium overtime on the holiday.

Yours very truly,

J.O.Vanest  
Manager  
Human Resources

JV/dl



Letter No. 77

October 19, 1987

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: EMERGENCY CALL-IN ENTITLEMENT**

During the 1987 contract negotiations it was mutually agreed that for the purpose of emergency call-in entitlement, emergency will be defined as an unexpected event which if not corrected would shut down a production area, or create risk of life or limb.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JV/dl

Letter No. 78

May 12, 1980

Mr. R.E.Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: REGULAR & EMERGENCY CALL-IN**

During the 1980 contract negotiations the Company agreed that in determining at what point an employee is considered to have left the plant for purpose of recall for regular or emergency overtime, that the gate houses would be used as the physical point for such designation.

Yours very truly,

J.O.Vanest  
Manager  
Human Resources

JV/dl

Letter No. 79

October 19, 1987

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: CANCELED OVERTIME**

During the 1987 negotiations, the Union expressed concern over the frequency of the pre-scheduled overtime that is cancelled during the shift it is to be worked thereby causing some employees inconvenience and additional cost.

The Company will not tolerate unjustified occurrences that are within its control and will address any actions inconsistent with this position.

Yours very truly,

L.E.Clement  
Plant Manager

/jv

Letter No. 80

June 15, 1980  
Revised: November 9, 1984  
Revised: October 22, 1990  
Revised: October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson, Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: OVERTIME BREAKS FOR CONTROLLED LINE OPERATORS**

During the course of the 1980 Contract Negotiations, the policy of break times for controlled line operators was discussed. The policy of the Company is that for daily overtime on controlled lines for one (1) or up to two (2) hours, there will be a five (5) minute break at the start of the overtime period.

In addition, during the 1984 Contract Negotiations, the issue of break time for overtime of one (1) hour or more, on controlled lines, prior to the start of a regular shift was discussed. The policy is that there will be a five (5) minute break at the end of the overtime period.

The Company and the Union agreed when daily mandatory overtime is required for controlled lines, the Company may schedule an additional five (5) minutes per day, to a maximum of an additional twenty (20) minutes of mandatory overtime per week, which shall be additional to the four (4) hours of mandatory overtime provided in Appendix L, Daily overtime.

Yours very truly,

J.J.Krete  
Manager Human Resources

Letter No. 81

June 13, 1980

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: EQUALIZING OVERTIME BETWEEN SHIFTS**

During the 1980 contract negotiations, the Company recognized that due to production requirements and the resulting overtime, the situation could arise where the first shift would accumulate more overtime hours worked than that of the off shifts within a department or vice-versa.

In recognition of this situation, the Company agrees that it will endeavor to offer, when and where possible, the same number of overtime hours to all shifts within a department.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JV/dl

Letter No. 82

October 25, 1996  
Revised: June 1, 2002

**Mr. D.M. Deneau**  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

**SUBJECT: SHIPPING / RECEIVING OVERTIME FOR SUPPORT OF PRODUCTION AND FINAL QUALITY CENTRE**

-  
**Dear Mr. Deneau,**

During the **2002** contract negotiations the Company and the Union discussed overtime inefficiencies related to support of production and the Final Quality Department, as well as the emergency expediting of inbound and out bound material. Effective with the implementation of the Pool concept, these situations will be handled by as few operators in an area as possible. Emergency expediting relates to material urgently required for production, repair, or outgoing shipment. This may occur, prior to, or, after a shift, as well as off duty days.

When three (3) or more operators are required in any one area, the following will apply:

When three (3) or more employees are required to ship material, the shipping **Production Lead** will be asked to work. The **Production Lead** will be asked as the fourth operator and he/she will perform the normal functions of other shipping pools, without financial liability if needed, but the majority **of** his/her time must be spent performing his/her own duties.

When three (3) or more employees are required to receive material, the receiving **Production Lead** will be asked to work. The **Production Lead** will be asked as the fourth operator and he/she will perform the normal functions, and may be asked to perform functions of other receiving pools, without financial liability if needed, but the majority **of** his/her time must be spent performing his/her own duties. In addition, a shunt driver will be asked to perform his/her normal duties when four (4) or more employees (not including the **Production Lead**) are present to receive material. A shunt driver may be asked to perform functions of other pools, without financial liability, if needed, but the majority of his/her time must be spent performing his/her own duties.

When less than three (3) employees work in any one of the above situations, they will perform the normal duties of the pools, as well as the **Production Lead's** duties related to that area without financial liability to the Company.

When two (2) or more areas are operating, and a total of six (6) or more employees, (including the **Production Leads**) are required to work, a shunt driver will be asked to work. Yard employees will not be included in the total of these six (6). When the shipping pool is shipping normal production material, (i.e. not "hot") a shunt driver will be asked to work.

Yours very Truly,  
A.E. Ramsz

Letter No. 83

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: MATERIALS SUPPORT IN OVERTIME SITUATIONS**

During the 1996 negotiations the Union requested the Company confirm the procedure to be followed to ensure Materials Department support when a Manufacturing operation makes a decision to work overtime.

When a Manufacturing operation makes a decision to work overtime, the appropriate Materials Supervisor will be notified. It will be the responsibility of the Materials Supervisor to determine if Materials support is required.

Grievances resulting from a failure to follow this procedure will result in a pay liability only when Article 8.07 of the Collective Agreement has been violated, as is the current practice.

Yours very truly,

P.J. Brennan  
Manager, Manufacturing Operations

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: PERIODIC ADJUSTMENTS TO POOL MANPOWER**

During the 1999 negotiations, the Company and the Union discussed the need to maintain effective utilization of manpower within pools in order to achieve status as the low cost manufacturer in the competitive marketplace.

Achievement of effective utilization of manpower may entail periodic short term adjustments to pools, typically one day or less to compensate for unexpected changes in schedule, model mix, part shortages, etc. These adjustments may result in additions or deletions of work or manpower within a pool, from pool to pool within a department, or from pool to pool between different departments.

The Company has assured the Union that it will apply a common sense approach when making these short term pool adjustments. Consideration will be given to factors such as the duration of events, the difficulty level involved in making the adjustments, etc.

Two typical examples of situations where such adjustments might take place are a shortage of rear axles that shuts down the Axle Line, or a sudden change of options on a large fleet build order that results in added special equipment effects.

This letter is intended to help clarify how the Company intends to handle short term pool adjustments, and is not intended to override any other contractual provisions or past practice related to the use of temporary assignments.

Yours very truly,  
J.J. Krete  
Manager, Human Resources



June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: FIVE STEP PROCESS**

The Company and the Union are committed to successful implementation of the new daywork Chatham Manning Agreement and acknowledge that a common sense approach is critical to its success, the measure of which will be whether or not the employee and/or pool can complete the assignment. After implementation of a work assignment change, the parties do recognize that on occasions situations may occur relating to the inability of an employee pool to complete its assignment that needs to be dealt with quickly and effectively. In an effort to do so, the parties have agreed to utilize the following 5 step process to address these situations:

- 1) An employee will first discuss the concern with his/her immediate supervisor, who will attempt to resolve the matter.
- 2) If the supervisor is unable to resolve the matter, the area Union Representative will also become involved.
- 3) If the matter is still not resolved, the Superintendent of the department will become involved.
- 4) Should the matter still not be resolved, the area Industrial Engineering person and the Industrial Engineering supervisor will become involved.
- 5) If the matter is still not resolved, a representative of Human Resources will mediate the issue.

Yours very Truly,

J.J. Krete  
Manager, Human Resources

June 7, 1999  
**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

***INTERNATIONAL***

Dear Mr. **Deneau**,

**SUBJECT: CHATHAM PRODUCTION COMMITMENT**

During the 1999 negotiations, the Company and the Union discussed the Premium Conventional truck business and the need for that business to become profitable. A primary purpose of these negotiations is to improve the profit of the current Chatham facility and provide long term security for Navistar/Chatham.

The Company assured the Union that for the term of this Agreement the Chatham facility would be the primary source of Premium Conventional trucks, currently the 9100, 9200, 9400 and 9900 models, for the Canadian and U.S. market and successor, replacement or next generation models. To this end the Company has committed to capitol investments to improve the equipment and tooling.

The Company has disclosed to the Union a plan to bring to the market a new premium conventional product, currently referred to as the HD3. The Company does not plan to produce the HD3 during the term of this Collective Bargaining Agreement. Production of HD3 is contingent upon approval by the Navistar Board of Directors. If approved by the Board of Directors, the Chatham plant would be the primary source for HD3 production as provided in the next paragraph.

**During the 2002 negotiations, the parties agree that while the CAP is operating, the minimum number of trucks produced at the CAP will be 70% of the total Company Premium Conventional schedules for delivery in the U.S. and Canada. This commitment will be measured and evaluated at the end of each of the Company's fiscal quarters.**

**The parties recognize it will take some time for the Chatham facility to return to the 70% level; therefore, this commitment will become effective 90 days after the ratification of this Agreement.**

The practical plant capacity is 120 trucks per day. When it is apparent that 70% of the total Company Premium Conventional schedule will exceed 120 trucks per day, the Company will consider investments in the Chatham facility to increase the plant capacity beyond the current 120 trucks per day. Consideration would be given to a weekend crew, a third shift of production or similar arrangements. Such investment(s) will only be made where the company can maximize its return on investment. Should a dispute arise between the parties as to the meaning and application of this letter. It is agreed that such dispute will be subject to the grievance and arbitration procedure under Article 4 of the Collective Agreement.

Finally, the company agrees to give the Union 30 days notice of any significant increase in capacity at other facilities and the Union will have the said time to give notice of any proposals, which could make it feasible to increase production at the Chatham facility.

**Nick Madich**  
**Vice-President, Truck Operations**

Letter No. 87

October 22, 1990  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher,  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: HEALTH AND SAFETY IN THE WORKPLACE CONFERENCE AND TRADE  
SHOW**

During the 1996 negotiations the subject of health and safety training was discussed.

The Company agreed that the Joint Health and Safety Committee and the Plant Chairperson will be given the opportunity to attend the annual National Safety Council.

During the 1999 negotiations, the Company agreed that the 2<sup>nd</sup> Shift Safety Representative and the Plant Vice Chairperson would also be given the opportunity to attend the National Safety Council.

This opportunity is contingent upon full and active participation, while in attendance at the conference each year.

Yours very truly

J.J. Krete  
Manager Human Resources

Letter No. 88

October 19, 1987

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: CANADIAN CENTRE ON OCCUPATIONAL HEALTH AND SAFETY**

During the 1987 Negotiations, the parties discussed the desirability of accessing the on-line information systems of the Canadian Centre on Occupational Health and Safety and making this information available to the Local Health and Safety Committee.

Management informed the Union that it would make arrangements with CCOHS to use this system and make access available to the Plant Safety Chairperson no later than January 31, 1988.

Yours very truly

J.J. Krete  
Manager Human Resources

/maw

Letter No. 89

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: REVIEW OF SAFETY PROGRAM – NEW HIRES**

During the 1983 negotiations, the parties discussed and agreed that the Local Joint Health and Safety Committee will review the Safety content in the present orientation training for all “new Hires” and make appropriate recommendations.

Yours very truly

J.O. Vanest  
Manager Human Resources

JOV/jv

Letter No. 90

October 19, 1987  
Revised: October 25, 1996  
Revised: June 3, 1999  
**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Deneau,

**SUBJECT: SAFETY SUPPORT DURING OFF DAYS**

Both the Company and the Union recognize that there are occasions when it is in everyone's best interest to have the Plant Safety Chairperson present when hourly employees are working premium overtime, or, working during plant shutdowns.

The Plant Safety Chairperson will determine when premium overtime is to be worked by information gathered from the Union Committeepersons. On those occasions when the Plant Safety Person feels that this expertise is necessary, he/she will request a gate pass from the Safety and Security Supervisor and in his/her absence, the Labour Relations Manager.

When the Plant Safety Chairperson feels overtime is necessary, but he/she is not available (i.e. vacation, SPA, out-of-town business, etc.) he/she can extend the privilege to either the **Off- Shift** Safety Representative or the one and only Plant Safety Chairperson alternate. The Plant Safety Chairperson, the **Off-Shift** Safety Representative, or his/her one and only alternate, will be paid for the actual time worked, at the applicable rate.

If the Company determines that this privilege is being abused, a meeting between the Manager, Human Resources and the Plant Chairperson will be scheduled to resolve the concern.

Yours very truly

J.J. Krete  
Manager Human Resources

/jv

Letter No. 91

June 14, 1980  
Revised: June 3, 1999  
**Revised: June 2, 2002**

**Mr. Deneau**  
Plant Chairperson  
Local 127 CAW,  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: SAFETY COMMITTEEPERSONS**

During the 1980 contract negotiations, the Company agreed that the Union Safety Chairperson would no longer serve dual roles as a functioning Departmental Committeeperson and in doing so, be afforded the time necessary in the performance of his/her duties as provided for in Article 4, Section 4.03 of the Collective Agreement.

During the 1999 contract negotiations, the Company agreed to add an **off-shift** Safety Representative, having a pay rate of "J". **As per a side letter, the off-shift safety representative will be designated only if the off-shift chassis line is running. If chassis line production should subsequently be reduced to one shift, the off-shift safety representative position will be eliminated.**

Yours very truly

J.J. Krete  
Manager Human Resources

JV/dl

Letter No. 92

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: RIGHT TO REFUSE UNSAFE WORK**

During the 1996 negotiations the Union expressed concern regarding the possible future changes to the Occupational Health and Safety Act and Regulations. Of particular concern was the removal of Part V, Right to Refuse Or To Stop Work Where Health Or Safety in Danger – Section 43 to 49 and Part VI, Reprisals By Employer Prohibited Section 50. Both the Company and Union strongly believe in the ideals outlined in the above noted sections of the act. The foundation of a safe workplace must include the ability to refuse to perform work that may endanger either themselves or fellow employees.

Naturally, the cornerstone of an employee's ability to refuse to perform unsafe work is freedom from intimidation and reprisals by Supervisors. Navistar is committed to ensuring that no member of management knowingly instructs, or orders, an employee to perform an unsafe act. Further, should an employee refuse to perform an unsafe act, reprisals of any kind will not be tolerated.

However, maintaining a safe work place requires the attention and dedication of all Chatham Plant employees. In this regard, the Parties further agreed that efforts to use safety to further unrelated personal interests or to make frivolous work refusals will not be tolerated.

J.J. Krete  
Manager, Human Resources



Letter No. 93

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: INSPECTION OF RENTAL POWER WASH EQUIPMENT**

During the 1999 negotiations, the Company and the Union discussed their concern for the safety of Department 3 employees using rental power-wash equipment for periodic booth cleaning tasks.

To enhance the safety of our employees, the Company and the Union agreed to have our Skilled Trades perform an inspection on rental power-wash equipment before initial use by Department 3 employees.

These inspections will not take place of the normal Preventative Maintenance inspections performed by the owner of the equipment.

Yours very truly,

R.A. Iacobelli  
Manager,  
Manufacturing Services

Letter No. 94

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: INSPECTION OF CALIGO OWNED SPIN JET EQUIPMENT**

During the 1998 negotiations, the Company and the Union discussed their concern for the safety of Department 19 employees using Caligo Owned Spin Jet Equipment that has undergone repairs.

To enhance the safety of our employees, the parties agreed to have a Navistar Skilled Trades employee inspect the equipment before use to ensure that acceptable repairs had been done. This inspection will be performed after the Caligo has completed repairs and before initial use by Department 19 employees.

These inspections are not intended to replace the normal Preventative Maintenance inspections performed by the owner of the equipment.

Yours very truly,

R.A. Iacobelli  
Manager,  
Manufacturing Services

Letter No. 95

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

Dear Mr. Dejaegher,

**SUBJECT: NOTIFICATION TO SAFETY COMMITTEE OF CHANGES TO PURCHASING  
POLICY FOR SAFETY RELATED ITEMS**

During the 1999 negotiations, the Company and the union discussed the need for the Plant joint Health and Safety Committee to be made aware of purchasing changes related to safety items.

In order to resolve the issue, the Company and the Union agreed on the following:

1. The Plant Health and Safety Committee will create a list of items that it feels are safety related items. This list will be kept up to date by the Plant Joint Health and Safety Committee and will be provided to the Purchasing Department.
2. The Purchasing Department will notify the Plant Joint Health and Safety Committee whenever it is contemplating changes to any of the items listed, such as a supplier change, material change, etc.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

Letter No. 96

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

Dear Mr. Dejaegher,

**SUBJECT: TYPIST – MONTHLY PLANT JOINT HEALTH AND SAFETY COMMITTEE MEETINGS**

During the 1999 negotiations, the Union requested a typist be made available to provide for record keeping during the monthly Joint Health and Safety Committee Meetings.

The Company agreed to provide a typist for up to 4 (four) hours each month for the monthly Joint Health and Safety Committee Meeting.

Yours very truly,

L.E. Clement  
Plant Manager

Letter No. 97

November 7, 1984  
Revised: October 19, 1987  
Revised: October 25, 1996  
Revised: June 3, 1999

Mr. Dejaegher  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: EXCEPTIONS TO SENIORITY**

During the current negotiations, the Union requested that the Issue, of which job titles constitute Exceptions to Seniority for the purpose of layoff or recalls, as identified in Section 7.15 of the current Labour Agreement, be resolved. The following reclassification have been so agreed to:

<u>JOB NUMBER</u>	<u>LABOUR GRADE</u>	<u>JOB TITLE</u>
149	H	Spray Painter

and all other jobs in Grade H and higher, at the signing of the Agreement.

It was further agreed that a job on the above list would be posted in the event that an employee subject to layoff was being retained, or an employee was being recalled, out of line of seniority. Qualifications and seniority will determine the successful applicant in each case. Qualifications will be determined on the basis of the candidate's ability to perform the job in a forthwith manner after a brief orientation.

Yours very truly

J.J. Krete  
Manager Human Resources

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: TOTAL OR PARTIAL PLANT SHUTDOWN FOR A DEFINITE PERIOD**

This procedure will address a plant shutdown for a predetermined period of up to thirty (30) days or for a mutually agreed to period in excess of thirty (30) days where the S.U.B. fund is at a level insufficient to pay benefits. Employees required by the Company to work during a total or partial plant shutdown [excluding inventory and vacation shutdown] will be determined by the following procedure:

- (1) Prior to the total or partial plant shutdown the Company will post on the bulletin boards a list of all labour grades, classifications, and pool number by department, which may be required. This list will be posted for two (2) consecutive working days (48 hours). The Company will attempt to contact employees who are absent. However, senior employees who are not contacted will still be considered providing they advise the Company immediately upon their availability. There will be no liability to the senior employee until he/she identifies his/her desire to work. He/she will be placed having regards for the three day layoff notification.
- (2) Any employee who is able to perform the work required to be done in a satisfactory manner, must make his/her intentions known to the employment office on the forms provided by properly indicating the specific labour grade, classification, pool number and department for which he/she wants to be considered. An employee desiring to be considered for more than one (1) job must complete a separate form for each job and he/she will be allowed to prioritize his/her applications. A normal operator must apply if he/she wants to work on his/her own job.
- (3) The Company will determine the employees required to work during the shut down period in the following manner:
  - (i) Successful applicants will be selected on the basis of seniority and ability.
  - (ii) If there are no successful applicants to the posting cited above, the normal operator will be required to work during the shutdown period. If more than one (1) operator normally performs the work, the senior employee(s) will be retained at work unless he/she elects to take the layoff.
- (4) If further reductions are necessary during the shutdown period, the employee(s) whose jobs have been affected will be laid off (if more than one (1) operator is performing this work, the junior employee will be laid off) unless such employee had identified more than

one (1) job under the provisions of Section (2), at which time the provisions of Section (3) would be applied.

- (5) The Company and the Union will review the work assignments to be carried out and develop the most appropriate selection of senior employees capable of performing the work consistent with minimizing the Company's cost. Employee Exceptions to Seniority will be negotiated between the parties.
- (6) During periods of full weeks definite layoffs and summer vacations the Company plans to partially reduce the plant receiving activity one full week prior to the event. Partial receiving will begin one full week prior to the resumption of production. A departmental voluntary canvass for the reduced pools to cease early, and start early, will be undertaken by the Company. Balance of requirements will be met by assigning junior people. A complete review will be conducted with the Union to eliminate seniority inequities.
- (7) Should it be necessary for the Company to increase the work force during the shutdown period, the Company would make the selections in accordance with the procedure outlined in item (2) and item (3). If the increased job(s) was not posted in accordance with the above procedures, employees will be recalled by virtue of their seniority provided they are capable of performing the available work per item (5).
- (8) Nothing in the above will relinquish an employee's right to training under 7.11 and 7.14 or the Collective Agreement.

J.O. Vanest  
Manager Human Resources

Letter No. 99

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: EMPLOYEE UNABLE TO PERFORM AVAILABLE WORK (FORCED  
REDUCTION)**

During the 1983 negotiations, the Union expressed concern about the Company's practice of laying off employees who are legitimately unable to perform a job to which they are reassigned through forced reduction per Section 7.11 and 7.14 of the Collective Agreement. This letter will confirm the understanding of both the Company and Union that the following procedure will be utilized should this situation arise.

The subject employee will be allowed, as soon as possible, the opportunity to bump the most junior employee working within the plant, who in turn will be reassigned to the former employee's job.

Should the most junior employee's job title constitute an "exception to Seniority", (ref. **Letter #97**), qualifications will be determined on the basis of the reassigned employee's ability to perform the job in a forthwith manner, after a brief orientation.

Both parties agree that failure to have the necessary qualifications to be considered for an "Exception to Seniority" job will not restrict the employee from bumping further up the seniority list, up to the point of displacing the most junior not occupying an Exception to Seniority job.

Yours very truly,

J.O. Vanest  
Manager, Human Resources



Letter No. 100

October 25, 1996  
Revised: June 3, 1999

Mr. Dejaegher,  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: SPRAY PAINT AGREEMENT**

During the 1996 negotiations, it was agreed that a pool assembly concept would be utilized throughout the entire Chatham Plant, including top coat and chassis painting. The parties agreed that the painters would be divided into five separate pools. One pool would be designed for all Main and Multi booth painters. A second pool would encompass all Final Quality Centre and Touch-up. A fourth pool will encompass the Fiberglass/Collateral booth and a fifth pool will include Utility painters. It was also agreed that these pools would be designated by the 149-H pay rate.

Up to three (3) top coat painters on each operating shift, in each department containing 149-H painter pools will be carried, and may be assigned to other work if not required as spray painters.

All 149-H painters will spray during each operating week provided senior painters agree. If senior painters disagree, the Company maintains the right to selectively assign junior painters to the operation as deemed necessary to maintain their skill levels and exceptions-to-seniority status (if applicable).

The opportunity to displace employees on exception-to-seniority status will be offered to the most senior capable person(s) from pool change requests, department change requests, or from layoff who agree to undertake the training and remain frozen in these pools for nine (9) months. Once training starts this individual(s) will enter "exception-to-seniority" status.

Qualified applicants who are accepted to displace employees on exception-to-seniority status through pool change requests, or department change requests who can perform the work in a forthwith manner with a brief orientation will not be frozen on the pool assignment.

Also, during the life of this Agreement, the Company, in an attempt to get seniority employees as soon as possible, will undertake to train one painter in each department every six (6) months if an exception-to-seniority exists in these pools. These employees will remain frozen in their pool for nine (9) months.

Furthermore, the Company will apply the provisions of paragraph 4, 5 and 6 above in all cases of exception-to-seniority, to those classifications listed in Supplemental **Letter #97** (EXCEPTION TO SENIORITY), with the exception that one 70-J Mechanic All Purpose will be trained every twelve (12) months.

Yours very truly,  
J.J. Krete  
Manager, Human Resources

Letter No. 101

October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: N.E.A.R. CO-ORDINATOR**

During the 1990 Contract Negotiations, the Company agreed that if the N.E.A.R. Co-Ordinator is a Local 127 employee, then, the person would have preferred plant wide seniority, and would be paid labour grade J rate of pay.

Yours very truly

J.J. Krete  
Manager Human Resources

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: MAINTENANCE DEPARTMENT SKILLED TRADES AGREEMENTS**

The concept of these agreements are to regain quality and productivity in Maintenance consistent with Manufacturing. The operation of the skilled trades according to the pool assignment methodology will support this goal. The Company also intends to reduce costs related to some aspects of the current Rent-a-Body and overtime arrangements.

Critical to the achievement of cost and complexity reduction at Chatham Assembly Plant is the role played by the Maintenance Department. A mutual desire of the parties is to avoid ongoing debate surrounding issues during the life of this Collective Agreement. The primary role of Maintenance will be to maintain the facility and equipment of the Chatham Assembly Plant to support the requirements of production. This proposal recognizes that current service agreements will remain in place. Work such as concrete, sheet metal, floor tiling, wallpapering, decorative painting, and working with voltage greater than 750 will not be done by the Chatham Plant Skilled trades employees. This agreement will not negate contractual obligations of Article 20 and Letter 111.

In order to support an effective preventative maintenance program for a 3, 4 or 5 Maintenance Shift Operation Schedule, the Company will create new shifts as follows:

	<i>Day Shift</i>	<i>Afternoon Shift</i>	<i>Midnight Shift</i>	<i>Weekend Day Shift</i>	<i>Weekend Night Shift</i>
Days	Monday – Thursday	Monday – Thursday	Sunday – Thursday	Friday – Sunday	Friday – Sunday
Shift Hours	Mon 5:30 am–4:00 pm Tues-Thurs 5:30 am-3:00 pm Paid lunch	Mon 3:00 pm–1:30 am Tues - Thurs 3:00 pm-12:30 am Paid lunch	Sun-Wed 10:30 pm–6:30 am Thurs 10:30 pm-5:30 pm Paid lunch	Fri – Sun 5:30 am–6:00 pm unpaid lunch	Fri - Sun 5:30 pm–6:00 am unpaid lunch
Hours At Work	39	39	39	36	36
Hours of Pay	40	40	40	44	44
Overtime Rate	Fri & Sat at 1½ x Sun & Holidays at 2x (max. 4 hours overtime beyond normal shift)	Fri & Sat at 1½ x Sun & Holidays at 2x (max. 4 hours overtime beyond normal shift)	Fri & Sat at 1½ x Sun & Holidays at 2x (max. 4 hours Overtime beyond normal shift)	Fri & Sat at 1½ x Sun & Holidays at 2x (max. 4 hours overtime beyond normal shift)	Fri & Sat at 1½ x Sun & Holidays at 2x (max. 4 hours Overtime beyond normal shift)
No. of Reprs	1 Committee person	1 steward (time as needed)	1 steward (time as needed)	1 steward (time as needed)	1 steward (time as needed)
Public Holiday During Work Week	Day off With pay.	Day off With pay	Day off With pay	Day off With pay (at factored rate)	Day off With pay (at factored rate)
Public Holiday Outside Work Week	Pay in lieu.	Pay in lieu.	Pay in lieu.	Pay in lieu. (at factored rate)	Pay in lieu. (at factored rate)

Non-Public Holiday During Work Week	Day off with Pay.	Day off With Pay.	Day off With Pay.	Regular Work day.	Regular Work day.
Non-Public Holiday Outside Work Week	No Pay – No time off.	No Pay – No time off.	No Pay – No time off.	No Pay – No time off.	No Pay – No time off.

Shift structure exists under the following scenarios:

- 3 Maintenance Shift Operation: Day, Afternoon and Weekend Day Shift.
- 4 Maintenance Shift Operation: Day, Afternoon, Midnight and Weekend Day Shift.
- 5 Maintenance Shift Operation: Day, Afternoon, Midnight, Weekend Day and Weekend Night Shifts.

Should the Maintenance Department be reduced below a 3 shift schedule, the above shift structure will be modified to incorporate a Monday through Friday work week that effectively supports production requirements.

The above shift schedule and scenarios do not prevent the altering of shift schedules or shift populations for vacation, holiday, shutdown periods, or other non-production days.

Employees on all Maintenance shifts will be paid at double time for work on holidays during the Christmas shutdown, in addition to holiday pay.

When a 3, 4 or 5 Maintenance Shift Operation Schedule, which includes either the Weekend Day or Weekend Night Shift, is in effect, Skilled Trades employees in the Maintenance Department will be credited an additional 24 hours of PAA in lieu of “Non-Public Holidays”.

Note that the term “Public Holiday” refers to those days listed in the Employment Standards Act of Ontario. The current “Public holidays” for the Day, Afternoon, and Midnight Shifts above will be Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day, December 26, New Years Day, as well as Civic holiday (not a “public holiday”). The following “Public Holidays” apply to the Weekend Day and Weekend Night Shifts: Christmas, December 26, New Years Day, Good Friday, as well as Easter Sunday (not a “Public Holiday”).

The earlier starting time for the Day Shift (5:30 a.m.) will eliminate the ongoing requirement for modified start times or Weekend Day Shift employees to startup equipment for production, unless production operations start earlier than the usual 6:30 am and request start up support from the skilled trades, the Company will either offer overtime or, modify working hours of some skilled trades employees according to Article 8.01 of the Collective Agreement.

Additional Skilled Trades Employees

During the 1999 negotiations, the Company agreed to hire the following additional 7 skilled trades employees (pending the results of manpower analysis in Maintenance) to implement the Weekend Night Shift:

2 Plumbers, 4 Millwrights, 1 Electrician

Weekend Day and Weekend Night Shift Employee Monday through Thursday Overtime Eligibility

These employees will have equal opportunities for Day, Afternoon, and Midnight Shift overtime assignment. The minimum four (4) hour call in pay provisions of Articles 8.05, and 8.06 (Paragraph 218) will not apply.

Rent-a-Body Agreement

The Union and the Company have each examined costs associated with the current Rent-a-Body agreement. In order to lower the costs of Rent-a-Bodies, the parties agree as follows:

1. The Company will re-negotiate the Rent-a-Body contract to achieve more favourable wage rates. The total hourly cost to the Company (including all benefits and Union dues) will not be less than the current skilled trades hourly wage rate, (including all benefits and dues). At no time will a Rent-a-Body be paid more than double time. This will assure that replacements are available when needed and maintenance can be completed on a timely basis.
2. When a Day, Afternoon or Midnight Shift skilled trades employee is on a pre-scheduled absence, such as vacation, P.A.A. or S.P.A. the Company will offer Weekend Day and Weekend Night Shift employees overtime to cover such absence, and vice versa. It is agreed that a skilled trades employee will replace such absent employee for a full working shift only (not a partial shift). If this vacancy cannot be filled with voluntary overtime then a Rent-a-Body may be used. This arrangement will also apply to absence due to long term S. & A. and W.C.B.
3. All other aspects of the current Rent-a-Body agreement, not addressed in this letter, will remain in effect.

Vacation Scheduling

The following table reflects the maximum level of vacation, Spa and P.A.A. for the skilled trades employees in the Maintenance Department.

<i>Trade</i>	<i>Vacation &amp; SPA (Total per shift)</i>	<i>P.A.A. (Total per shift)</i>	<i>Total Absent (per shift)</i>
<u>Millwright / Machine Repair</u>			
Day	2	1	3
Afternoon	2	1	3
Midnight	1	1	2
Weekend Day	1	1	2
Weekend Night			1
<u>Electricians</u>			
Day	1	1	2
Afternoon	1	1	2
Midnight			1
Weekend Day			1
Weekend Night			1
<u>Plumber</u>			
Day			1
Afternoon			1
Midnight			1
Weekend Day			1
Weekend Night			1
<u>Welder</u>			
Day			1
Afternoon			1
Midnight			1
Weekend Day			1
Weekend Night			1
<u>Lift Truck Mechanic</u>			
Day			1
Afternoon			1
Midnight			1
Weekend Day			1
Weekend Night			1
<u>Tool &amp; Die</u>			

Day			1
Afternoon			1
Midnight			1
Weekend Day			1
Weekend Night			1

Yours very truly,  
R.A. Iacobelli  
Manager, Manufacturing Services

Letter No. 103

October 25, 1996

Mr. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: SKILLED TRADES WEEKEND SHIFT (FRIDAY – SUNDAY) MANPOWER**

During the 1996 negotiations the Company and the Union discussed manpower for the new weekend shift in the skilled trades. The Company and the Union agreed to the following minimum number of skilled trades employees on the shift:

1 Plumber, 1 Welder, 1 Tool and Die, 2 Electricians and 3 Millwrights

Overtime first and then Rent-a-Bodies may be utilized in the event there are insufficient numbers of skilled trades employees who agree to permanently work the weekend shift, if, in the opinion of the Company, additional skilled trades employees are required on the shift. Employees who enter the skilled trades classifications after October 25, 1996, will not have the right to refuse to go onto the weekend shift.

Yours very truly

R.A. Iacobelli  
Manager Manufacturing Services

Letter No. 104

October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher,  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**ARTICLE 17.01(B) INSURANCE PLANS FOR SKILLED TRADES**

The benefits displayed in schedule 17.01 (B), determined by the Base Hourly Rate, will be factored up by 1.222 for the weekend (third) shift employees.

Yours very truly  
J.J. Krete  
Manager  
Human Resources



October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

**SUBJECT: ELIMINATION OF CLASSIFICATIONS**

Dear Mr. Hamilton,

All future candidates for the Millwright position must be able to perform the Machine Repair function as well as the current Millwright duties. Those current Millwright(s) who are unable to do Machine repair work will not be assigned Machine Repair work to the Millwrights and thereby reduce a Machine Repair employee(s) as a result.

The Company will eliminate the Power Tool classification and assign power tool repair to the Machine Repair trade. The two (2) employees currently doing power tool repair will be redirected as Machine Repair, as long as they remain on the job doing tool repair. The Company will assign power tool repair duties to the Machine Repair classification (by seniority), if and when the two (2) red-circled employees are not available or have vacated the positions.

The Company will eliminate the Oiler classification from the Collective Agreement. Most of this work will be performed by the pools in manufacturing. In some cases, the trades servicing the equipment will also be required to do the oiling, particularly where lubricators are difficult to access, (including above or below floor level). The reduction of this employee will be utilized to offset the increased number of skilled trades employees outlined above and will occur with the next manpower adjustment.

J.J. Krete  
Manager, Human Resources

Letter No. 106

June 3, 1980  
Revised: October 25, 1996

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant  
**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: OUTSIDE CONTRACTING**

During the 1980 negotiations, the Company and the Union agreed to revise the language of Article 20, Section 20.01, Job Security and Outside Contracting. It is understood that the "statement of policy established under the prior contract" referred to in the third paragraph of the new Article 20, Section 20.01 is the following:

"It shall be the policy of the Company to utilize its seniority employees by continuing to use its best efforts to keep the production of work parts, tools, dies, fixtures and maintenance in the plant insofar as practical and efficient to do so. When necessary to deviate from this practice, the Local union shall be informed of the reason before work is sent out. The objectives of the policy will require the Company's consideration of whether (a) there are adequate numbers of qualified seniority employees available to perform the needed work within any required time limitations as well as continuing to meet limitations on other scheduled work, and (b) there is sufficient suitable equipment available at the plant involved, and (c) the use of seniority employees will not involve extra cost to the Company, and when appropriate, (d) whether the needed work involves hazards that do not prevail in the normal work assignments of the available seniority employees.

During the 1996 negotiations, the Company and the Union discussed the issue of notice related to this letter. The Company agreed to provide at least 2 weeks advance notice for non-emergencies. In case of an emergency, the Company will inform the Union when the need is known. The Union recognized that such early notice may erode the details that are and follow up may be required."

J.O. Vanest  
Manager, Human Resources

Letter No. 107

September 25, 1984  
REVISED: October 22, 1990  
**REVISED: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: LICENSE RENEWALS**

During the 1984 Contract Negotiations, the Company agreed to reimburse the cost of license renewal fees, which are a condition of employment, in the skilled trades area for the following:

- Gas Fitters
- "AZ" Drivers' Licenses
- "A" Mechanics
- S6 Propane Certification
- U-69 High Pressure & Stainless Welding License

During the 1990 Contract Negotiations, the Company agreed to reimburse the cost of license renewal fees for electricians.

During the 1999 negotiations, the Company agreed to reimburse the cost of license fees for hourly employees (including Skilled Trades) if Federal and Provincial legislation changes require changes to the employees' license requirements. As with the above, this is provided the license is a job requirement.

Also during the 1999 negotiations, the Company agreed to pay fees associated with the costs of obtaining or renewing drivers' licenses that are needed if the Company requires an employee to drive Company tractors or tractor/trailer combinations as part of their normal job. The Company also agreed to provide company tractor (and trailer if necessary) for the tests involved in obtaining the license as well as pay for the time required by the employee to perform the license test. This provision applies to employees currently on the job, as well as employees who have posted or transferred and have been accepted on a job that requires the license in question.

Yours very truly

M. Gervais  
Superintendent of Maintenance

Letter No. 108

October 22, 1990  
**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: PRODUCTION VERSUS SKILLED TRADES WELDING**

During the 1984 Contract Negotiations, the subject of welding of non-production parts/materials by non-skilled trades welders was discussed. **The Company and Union agreed that welding of production parts may form part of the work assigned to “production classifications”.**

Yours very truly,

**K.A. Sherring**  
Manager Human Resources

Letter No. 109

October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SPILL TRAINING**

During the 1984 Contract Negotiations, the Company and the Union discussed the issue of training for the safe cleanup of hazardous material spills.

It was agreed that the fire team would be trained in how to properly deal with spills.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 110

October 25, 1993  
**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: FIRE BRIGADE TRAINING 2<sup>ND</sup> SHIFT EMPLOYEES**

During the 1993 Contract Negotiations, the Union and Company discussed the importance of having second shift employees available with knowledge of incipient fire fighting methods.

**At the Company's discretion, selected employees** will be trained in the proper techniques of incipient fire fighting by the Chatham Plant Loss Prevention Department as members of the Plant Fire Brigade. **During the 2002 Contract Negotiations, it was agreed that all current members of this team as of June 1, 2002 will be deemed qualified for this position.**

Yours very truly,

**K.A. Sherring**  
Manager Human Resources

Letter No. 111

March 7, 1983  
REVISED: September 25, 1984  
REVISED: October 19, 1987

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SAFETY TRAINING FOR UNION REPS.**

During the 1987 Negotiations, the parties discussed and agreed that the Local Joint Health and Safety Committee will undertake the development of a Safety Training Program for Union representatives. This training will be made available at the plant on Company time, one (1) day each calendar quarter commencing January 1988. The training sessions will be divided into two (2) groups, one (1) group for the Union Committeepersons and the other group for the Union Committeepersons and the other group for Union Stewards. If training attendance levels permit, additional people such as management, hourly and/or salaried employees may be invited to attend.

Training will be made available with the understanding that the plant duties of the attending Union representatives will not be supplemented by the use of alternatives during the training program.

J.J. Krete  
Manager Human Resources

Letter No. 112

September 25, 1984  
Revised: June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: ISOCYANATE TRAINING**

During the 1984 Contract Negotiations, the Company and the Union discussed the mutual problem of people not being trained in how to work safely with the hazards of isocyanates.

The Company agrees that members of the third shift, clean-up crew who come into daily contact with isocyanates will receive the appropriate training.

During the 1999 Contract Negotiations, the Company agreed to continue the current practice of providing training to appropriate employees beyond those mentioned in the above paragraph.

Yours very truly,

J.J. Krete  
Manager Human Resources



Letter No. 113

October 22, 1990  
REVISED: October 25, 1993  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: ERGONOMIC AND HUMAN RIGHTS TRAINING FOR UNION  
REPRESENTATIVES**

During the 1999 negotiations the importance of ergonomic training was discussed. Both the Company and the Union are committed to improving the environment for our employees and have agreed that Union representatives will be offered an off-site training course in ergonomics and human rights. Each Union Representative will be entitled to one (1) full day session during the life of this Agreement. The course may be scheduled on multiple dates to support production requirements.

Yours very truly,  
J.J. Krete  
Manager Human Resources

Letter No. 114

June 4, 1980  
Revised: September 10, 1984  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DAYWORK ANALYSIS TRAINING**

During the 1984 Contract Negotiations, the Company agreed that it would provide a daywork study course for the Union specified representative, Chairperson Vice-Chairperson and any affected Union Representative(s) to train on the procedure involved in daywork analysis.

Yours very truly,  
R.C. Martens  
Industrial Engineering Manager

Letter No. 115

September 17, 1984  
Revised: October 19, 1987  
Revised: October 25, 1996  
Revised: June 7, 1999

Mr. D.M. Dejaegher,  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: MOST TRAINING**

During the 1999 Contract negotiations, the Company and the Union agreed that the Industrial Engineering Department with the assistance and guidance of the Plant Chairperson, would develop a detailed MOST Training course.

This course will be offered to all Union representatives who wish to take it and will be made available as soon as possible. It will be conducted on Company time with the understanding that the Plant duties of the attending Union representative will not be supplemented by the use of alternatives during the training program. This will be accomplished by offering separate courses for the Committeepersons and stewards.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

Letter No. 116

October 23, 1993

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: EMPLOYEE JOB QUALIFICATION TRAINING**

During the 1993 negotiations the Company and the Union discussed the need to establish training programs that would upgrade employees' knowledge to allow them to qualify for jobs that require the passing of basic qualification tests for eligibility.

The Training Operating Committee will review jobs requiring testing, and recommend course(s) that will help prepare employees to be able to pass these test(s). Course(s), not already available, will be made available by the Company, and will be taken by employees on their own time without monetary compensation.

Training Operating Committee will recommend the specifics relating to these courses. The course instructor and facilities, required for these courses, will be supplied by the company, if not already available through outside institutions or organizations. The Training Operating Committee will recommend the minimum class size for any course.

J.J. Krete  
Manager Human Resources

Letter No. 117

October 25, 1993  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: 39 / 78 HOURS OF TRAINING**

During the 1993 contract negotiations, the Union and Company discussed the situation whereby an employee demands the maximum training time as specified in the Collective Agreement (i.e., up to 39 or 78 hours) although the employee is already competent to perform the assignment prior to the maximum allowed training period.

A Supervisor at any point during the training period may determine that an employee is competent to perform the job, and does not require the balance of the training period. When this happens, the company will not hold the employee accountable for unwillful error for the balance of the training period.

Yours truly,

J.J. Krete  
Manager Human Resources

Letter No. 118

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: GENERAL KNOWLEDGE TRAINING PROGRAM**

During the 1999 negotiations, the Company and the Union discussed the need for general product knowledge training for hourly employees.

In response to this need, the Company agreed to develop and implement such a program within twelve (12) months from ratification of this Collective Agreement.

Yours very truly,

J.J. Krete  
Manager Human Resources

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson, Local 127 CAW  
Navistar Unit Chatham Plant  
**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: LOCAL 127 WORK STANDARDS REPRESENTATIVE**

During the 1996 negotiations the Company and Union spent considerable time discussing the concept of "pool assembly" and the actions required to implement "pool assembly" at Chatham Assembly Plant. During these discussions both parties recognized the execution of "Pool Assembly" could be aided by the introduction of a new Union position, that of Work Standards Representative.

The parties further agreed that while the Union will appoint the Work Standards Representative the appointee will be required to take the Company provided "Basic Most" and "Computer Most" training. The Work Standards Representative will be required to acquire the same pass mark for "Basic Most" as the Industrial Engineers (80%). Failure to achieve the pass mark will disqualify the appointed employee from this position. Should the appointed representative fail to achieve the required grade he/she will be returned to the job held prior to this appointment. The Work Standards Representative will request authorization of P.A.A., vacation, time off, and overtime related to the Work Standards area from the Industrial Engineering Manager. The department of the Work Standards Representative will remain as it was prior to the appointment. The classification for the Work Standards Representative will be SP6 and the rate will be J. There will only be an alternate representative to this Work Standards Position. When the incumbent Work Standards Representative is away on Vacation, SPA, Safety Audits or other similar absences.

Rene Martens  
Industrial Engineering Manager

Letter No. 120

October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher,  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: ERGONOMIC REPRESENTATIVE**

During the 1996 negotiations the Company and Union agreed to the creation of a new union position, that of Ergonomic Representative. During the 1999 negotiations the Company agreed that the Union will select the Ergonomic Representative.

The Ergonomic Representative will request authorization for P.A.A., vacation, time off, and overtime related to the ergonomic area from the Manager, Environment Health and Safety. The classification of the Ergonomic Representative will be SP 5 and the rate will be "H". The department of the Ergonomic Representative will remain as it was at the time of his/her appointment.

There will not be an alternate representative to the Ergonomic Representative Position.

John J. Krete  
Manager, Labour Relations



Letter No. 121

October 22, 1990  
Revised: October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: RATES OF PAY FOR ALTERNATES**

During the Contract Negotiations, the Company and the Union discussed the issue of rate of pay for those employees replacing the Chairperson, the Vice Chairperson and the Safety Chairperson.

It was agreed that when these positions are replaced for one (1) week or more. The rate of the position would be paid. During Contract negotiations the alternate will kick-in for those directly involved with negotiations and be paid from the first day.

Yours very truly,  
J.J. Krete  
Manager  
Human Resources

Letter No. 122

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

Dear Mr. Tindale,

**SUBJECT: POLICY MEETINGS**

During the 1983 Negotiations the subject of meetings between the Company and the Union, for the purpose of reviewing issues was discussed. An understanding was arrived at whereby the Chairperson of the Plant Union Committee will be granted a meeting with the Plant Manager for the purpose of discussing concerns as follows:

1. The Union will identify the issue(s) to be discussed.
2. The meeting will be as soon as possible at mutually agreeable times.
3. The Chairperson and either the Grievance Committee or the Bargaining Committee may be present for the Union. The Plant Manager and/or the Manager of Manufacturing Operations and the Human Resources Manager will be present for the Company. However, it is recognized that on occasion the Plant Manager and/or the Human Resources Manager may be unavailable. In that case, it will be mutually agreed to either re-schedule the meeting or continue with suitable representatives for either.

This procedure is established as a good faith effort on the part of both parties to improve areas of mutual concern and understanding.

J.O. Vanest  
Manager Human Resources

Letter No. 123

June 11, 1980

**Revised: June 1, 2002**

**Mr. D. Deneau**

Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: NOTIFICATION OF RECALL FROM LAYOFF**

During the 1980 negotiations, the union expressed concern regarding the procedure used to recall employees from layoff by telephone.

It was agreed that the past practice would be maintained, **which is that the Employment and Benefits Administrator will make one attempt to contact employees who are being recalled. The applicable Union Representative(s) will be present when subsequent telephone calls are made to employees who were not able to be reached.**

Any disputes regarding the use of this procedure will be resolved by the Labour Relations Manager, and the Union representative who was involved.

Yours very truly,

**K. Sherring**

Manager Human Resources

Letter No. 124

June 15 1980

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: FAMILY EDUCATION PROGRAM**

It is understood between the parties that employees, who are selected by the Union to receive scholarships to attend educational programs at the Union's Port Elgin Centre, will be given leaves of absence for not more than two (2) consecutive weeks for this purpose. In addition such employees upon request, will be provided with a maximum of two (2) weeks' vacation pay while in attendance at the Port Elgin Centre.

Such an employee will be given, in the same calendar year in which he/she attends the Port Elgin program, preferential opportunities over all other employees in the bargaining unit to work during the vacation shutdown, provided there is work available at his/her operation which he/she is qualified to perform.

Notice of designation of scholarship recipients must be provided the Company no later than June 1 of each year. It is further understood that no more than four (4) scholarship recipients will be granted the above preferential scheduling and/or leave consideration from any manufacturing operation where the Union holds bargaining rights in any one calendar year.

J.O. Vanest  
Manager Human Resources

Letter No. 125

December 4, 1984  
REVISED: October 22, 1990  
REVISED: October 25, 1993  
Revised: October 25, 1996

Mr. B. Hargrove  
C.A.W. President National Automobile,  
Aerospace and Agricultural Implement Workers of Canada  
205 Placer Court  
WILLOWDALE, Ontario M2H 3H9

**INTERNATIONAL**

Dear Mr. Hargrove:

**SUBJECT: PAID EDUCATION LEAVE**

During these negotiations the parties discussed the labour education program developed by the Union for the purpose of upgrading the skills, which employees utilize in all respects of trade union functions and the matter of Company financial support of this program. This program, entitled the CAW Leadership Training Program, has received contribution from the Company since November, 1980.

In recognition, therefore, of the contributions this program can make to the improvement of the Union/Management relationship and toward more effective administration of the Collective Agreement, the Company agrees as hereinafter set forth to make a grant to the CAW Leadership Training Program (P.E.L. Trust).

Past Company contributions to the Leadership Training Program (P.E.L. Trust) have been tax deductible. Providing that such amounts shall continue to be deductible, the Company will contribute the sum of \$100,000 to the P.E.L. Trust in each equal, quarterly payments of \$5000 on the following dates:

11/01/96	11/01/97	11/01/98	11/01/99
01/01/97	01/01/98	01/01/99	01/01/00
04/01/97	04/01/98	04/01/99	04/01/00
07/01/97	07/01/98	07/01/99	07/01/00

In addition on the above noted dates, the Company will make quarterly contributions to the P.E.L. Trust equal to one cent for each hour worked in the preceding thirteen (13) week period. The Union will co-operate fully in providing the Company with all documents regarding the CAW Leadership Training Program (P.E.L. Trust), as it may require, in order to maintain the aforementioned Income Tax Ruling.

It is understood and agreed that the portion of the P.E.L. Fund represented by the Company's contributions will be used solely and exclusively to provide paid education leaves and related benefits for employees of the Company who attend sessions of the labour education program as

described by the Union during these negotiations. Annually, the Union will provide the Company with an audited statement prepared by an independent public accounting firm certifying that all expenditures made from the P.E.L. Trust Fund were made in accordance with the intent and purpose of the Trust Deed dated July 3, 1979, establishing the P.E.L. Trust.

A leave of absence for participation in the Union's program will be granted by the Company in accordance with Article 14 of the Collective Agreement to seniority employees designated by the Canadian Director of the National Union to the Manager, Human Resources for the Company of four (4) week's advance written notice specifying the employee's name and dates of requested absence, provided no such absence will result in any loss of efficiency or disruption of operations at the Chatham Plant.

Employees granted such leave will be excused from the work, without pay, for up to twenty (20) days of class time, plus travel time where necessary; said leaves of absence to be intermittent over a twelve (12) month period from the first day of leave during the term of the 1990 Chatham Plant Collective Agreement.

Yours very truly,

P.J. Brennan  
Director of Human Resources

March 7, 1983  
**Revised: June 2, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW IHC Unit  
Chatham Plant

**INTERNATIONAL**  
Dear Mr. **Deneau**,

**SUBJECT: PREFERRED SENIORITY**

During the 1983 negotiations the Company agreed to accord preferred seniority status to Union officials outlined in Section 7.06 of the Collective Agreement, during periods of reduced operations, e/g/ total or partial plant shutdowns in the following manner:

- 1) If only one (1) job is available within a department, the applicable Union Representative will be assigned to do the work, providing the Union Representative is capable of doing the work.
- 2) If more than one (1) job is available within a department or departments, **first the zone Committeeperson, then the zone Steward, and then** Local 127 Officers will be allowed the opportunity to occupy the job[s] prior to filling them through normal procedure[s]. In no case will the Company be obligated to fill such job(s) with employees that are incapable of performing the work required.

The Union will notify the Company as soon as possible prior to the Company posting a list of all available openings, as to their preference of jobs for the Local 127 Officers.

This Agreement does not alter the purpose or intent of any other provision of the Collective Agreement.

J.O. Vanest  
Manager Human Resources

Letter No. 127

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: SPECIAL LOCAL COMMITTEES**

During the course of the 1983 Negotiations, the parties discussed problems the Company identified in the Administration of Article 3.03, namely, the lack of adequate notice of special Local Union Committees leaving the Plant on Union Business.

The Company requested that letters regarding such absences from work be received at least twenty-four (24) hours prior to the period in question. The Union acknowledges the Company's concern and agrees, wherever possible, the requests would be made at least twenty-four (24) hours prior.

It was further agreed that problems with this issue would be brought to the attention of the International Union Representative.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/dl



Letter No. 128

March 7, 1983  
Revised: October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant  
**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: FULL TIME CHAIRPERSON**

In our 1980 Negotiations, the Company agreed to continue the Negotiated practice of recognizing a full time Union Plant Chairperson as elected by the Union. In the absence of the full time Union Plant Chairperson from the Plant, the Company will recognize the Union Plant Vice-Chairperson to act in his/her place. The Company will provide a work center for the full time Chairperson, or in his/her absence the Union Plant Vice-Chairperson, will be compensated at his/her regular straight time rate.

It was further understood that the Union Plant Chairperson will be retained on the basis of his/her preferred seniority during period of reduced operations when more than ten (10) employees are being retained in the bargaining unit. In the absence of the Union Plant Chairperson from the Plant, the Vice-Chairperson will be recalled from layoff to act in his/her place.

When more that ten (10) employees are scheduled to work on an off-duty day, and the above Plant Chairperson determines a need to be present during the overtime, he/she will advise the Manager – Human Resources prior to the overtime being worked. The C.A.W. National Representative will be required to resolve any abuse of this privilege.

Yours very truly,  
J.J. Krete  
Manager  
Human Resources

JOV/dl

Letter No. 129

May 15, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: PREPARING CONTRACT DEMANDS**

During the 1984 Contract Negotiations, the Company agreed that the Plant Union Representative would be allowed absence from work to prepare contract demands subject to the no pay provision of Section 3.03 in the Collective Agreement.

Yours very truly,  
J.O. Vanest  
Manager Human Resources

JOV/dl

Letter No. 130

March 7, 1983

**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: RECALL OF FORMER UNION REPRESENTATIVES**

During the 1983 negotiations, the parties discussed preferred seniority for Committeepersons and/or Stewards on layoff. If the area or department(s) they formerly represented is to be recalled, said Committeepersons and/or Stewards would be recalled first unless **their terms have expired. In the event the Committeepersons and/or Steward's terms have expired, the Union will have the right to appoint a replacement until an election can take place.**

The Union will provide the Company with the current list of employees in office, in accordance with Article 7.06.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JOV/jv

December 5, 1994  
Revised: October 25, 1993  
Revised: June 3, 1999  
**Revised: June 1, 2002**

**Mr. Deneau**  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear **Mr. Deneau**,

**SUBJECT: SCHEDULED PAID ABSENCES (SPA) ADMINISTRATIVE PROCEDURES**

During the 1993 contract negotiations, the Company and Union agreed to a revised program entitled Scheduled Paid Absences (SPA).

The administration of the program will be as follows:

I) Scheduling:

SPA weeks will be scheduled by department by shift, according to seniority, with the understanding that the Company will move utility persons from shift to shift to cover vacancies due to SPA.

As is the case for vacation, the week before Christmas will be included in the schedule if it contains four (4) work days. The fifth day, or designated holiday pay, will be paid in addition to the SPA payment. Also, the first week of January will be included in the schedule if it contains four (4) work days. In this case, the provisions of item (II) below will apply.

SPA weeks will be level scheduling during each S.P.A. Period based on the number of eligible employees within a department. For example, if the number of eligible employees in a department equates to 2.3 per week, then two (2) employees will be scheduled each available week as well as one (1) additional employee per week for the number of remaining weeks necessary to cover eligible employees within the department.

The two (2) or three (3) week annual vacation shutdown(s) will be excluded from the SPA schedule, except in the case where an employee does not have full vacation pay to cover the entire annual vacation shutdown period(s) he/she may request that his/her SPA week be scheduled during the annual vacation shutdown period.

Once a SPA week is scheduled, an employee can only change to a different week with approval from the superintendent of the department.

Employees who exercise their seniority rights and change shifts, bid to a different department through a DCR, or change pools through a PCR, will retain their originally assigned SPA weeks unless it is necessary in view of production requirements to change it. If this is the case, Supplemental **Letter # 133** "Departmental Vacation Scheduling Conflicts", will be followed.

During the 1999 negotiations, the Company agreed to allow employees to move a previously booked SPA week to an open week within their department.

II) Holiday Within a SPA Week

When one of the designated holidays referred to in Article 8 or **Letter 6** falls within an employee's SPA schedule such employee shall be granted additional equivalent hours off as outlined in **Letter 6**, with pay, to be taken (in increments of not less than four (4) hours) and scheduled within that departments PAA allotment, or the employee may elect to receive holiday pay for such day as though the employee were not on SPA. However, employees that have one (1) year but less than two (2) years of seniority, who convert one of the subject holidays into P.A.A. will receive the equivalent hours outlined in **Letter 6** as P.A.A., less than 4 hours (SPA conversion for this seniority group resulting in a four (4) hour deficit). In the event that an employee's remaining PAA is less than four (4) hours, the employee will be paid the amount owed the earliest pay period possible.

III) Overtime:

Employees are eligible for overtime occurring during the weekend preceding the SPA week as well as overtime occurring during the weekend following the SPA week.

IV) Bereavement:

Employees who experience a bereavement during a SPA week will be entitled to the same benefit as that to which they are entitled to during a vacation week outside of the annual vacation shutdown.

V) Discipline:

Employees who are serving a disciplinary suspension during a SPA week will not be disqualified from receiving payment for the day(s) in which the discipline was scheduled.

VI) Pay Rate:

The pay rate for a SPA week will be the same as the appropriate PAA rate.

VII) Sickness and Accident Benefit:

An employee who qualifies for a Sick and Accident benefit while on SPA may return the SPA payment and collect Sickness and Accident benefit, thereby deferring the SPA for a later date, or accept the SPA payment and not be entitled to additional time off later. In either case, the employee cannot collect both.

J.J. Krete  
Manager Human Resources

Letter No. 132

October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SCHEDULING OF VACATIONS AFTER MARCH SCHOOL BREAK**

During the 1993 contract negotiations the Union and Company discussed the subject of scheduling employee vacations. The Company agreed to start the level scheduling of vacations immediately after the Kent County spring school break, assuming that the school break remains in the month of March.

If this spring break is moved into any other month or is canceled, we will revert to the 1990 contract scheduling commencement provision.

Yours very truly,  
J.J. Krete  
Manager Human Resources

Letter No. 133

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: DEPARTMENTAL VACATION SCHEDULING CONFLICTS**

During the 1993 negotiations the Company and Union discussed the situation whereby an employee transfers within a department through Job Change Request to a job where the employee's vacation conflicts with other employees in the area to the point where accommodation of such will seriously jeopardize production.

In cases such as this, the employee will be required to move his/her vacation to a suitable week that will not affect production.

It was agreed that before an employee in this situation is expected to reschedule their vacation, an attempt will be made to accommodate the employee by canvassing all other employees in the affected area to see if anyone will voluntarily move their vacation to a suitable week.

J.J. Krete  
Manager Human Resources

Letter No. 134

September 25, 1984

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: VACATION SHUTDOWN REVIEW MEETING**

During the 1984 Contract Negotiations, the Union expressed concern about skilled trades, maintenance and other employees (reference **paragraph 373** and **paragraph 485** of the Contract) rescheduling vacation weeks either into or out of the vacation shutdown period in an attempt to accommodate changes by the Company in its vacation shutdown maintenance plans.

The Company will continue to schedule these same employees for vacations according to the provisions of Article 10, and will, in addition, hold an annual review involving the Skilled Trades Representative, Manager of Manufacturing Operations, approximately 60 days prior to the shutdown period. The purpose of this review will be to allow the Company an opportunity to advise the Union of any anticipated changes that will affect the vacation status of the subject employees.

J.J. Krete  
Manager  
Human Resources



Letter No. 135

September 25, 1984  
Revised: October 25, 1996  
Revised: June 3, 1999  
**Revised: June 2, 2002**

**Mr. Deneau**  
Plant Chairperson Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**,

**SUBJECT: MEDICAL DEPARTMENT STAFFING**

During the 1984 Contract Negotiations, the Company agreed to maintain either a doctor or nurse on staff at the Chatham Plant, during annual vacation shutdowns, whenever one hundred (100) or more Local 127 employees are working in the Plant.

During the 1999 contract negotiations, the Company agreed to maintain a nurse on staff at the Chatham Plant, during any shift, **when the employee population on the off-shift is scheduled to remain greater than two hundred-fifty (250) for a period of two months or more.**

Yours very truly,

J.J. Krete  
Manager Human Resources

JJK/ad

Letter No. 136

October 19, 1987  
Revised: October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: P.A.A. SCHEDULING LEVELS**

During the 1987 negotiations, the Company agreed to increase the preauthorized PAA level for hourly employees from mid April to mid September each year. The new level for the subject period will become one (1) employee for every 25 in a department to be allowed off at any one point in time. Uneven resultant calculations will be rounded up or down to the nearest whole number. For the period of October 1 through April 30, the level of one (1) employee for every 35 in a department will remain unchanged for the remainder of each calendar year. It is understood that individual circumstances may, as in the past, warrant exceeding or restricting these levels from time to time.

During the 1996 contract negotiations, the Company and the Union agreed to the following:

1. The number of people off in each department will be recalculated, either up or down, if departmental manpower numbers change subsequent to the original calculation.
2. Employees who are not eligible for PAA will be excluded from the calculation above.

J.J. Krete  
Manager Human Resources

Letter No. 137

April 7, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: WORKING DURING VACATION SHUTDOWN**

The Company will continue its endeavour to select employees who have not qualified for full vacation pay to work during the established vacation shutdown period in order of seniority wherever reasonably possible, having regard for such conditions as time constraints in scheduling, etc.

This will be done with the understanding that there will be no grievance on behalf of any employee.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/sh

Letter No. 138

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: MAINTENANCE CREW SUPPLEMENTAL MANPOWER – SUMMER SHUTDOWN**

During the 1983 Negotiations the Company identified the following procedure for selecting additional manpower to perform plant maintenance functions during the annual vacation shutdown.

All employees with no vacation entitlement must, if required, work the summer shutdown. Employees with less than full vacation eligibility (ref. Article 10.01(b) **Paragraph 355**) will be canvassed to volunteer their service for the week(s) in which they have less than full vacation entitlement, with senior employees having first opportunity to work.

If requirements are not fulfilled per above, a notice will be posted plant-wide. Manpower will be selected according to seniority and notified by the Human Resources Department. Further manpower requirements will result in recalls from layoff. If sufficient quantities of laid-off employees are not available, summer students will be hired.

J.O. Vanest  
Manager Human Resources

Letter No. 139

May 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: VACATION SCHEDULE REVIEW WITH UNION REPS.**

During the 1983 Contract Negotiations, the Company agreed to review the departmental vacation schedules and levels with the Union Representatives prior to beginning the actual employee scheduling.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/ap

Letter No. 140

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: SCHEDULING VACATION PRIOR TO INITIATION OF LEVELLED SCHEDULE**

During the 1983 Contract Negotiations, the Company agreed to continue the practice of allowing employees entitled to additional vacation week(s) beyond the designated shut down period, to schedule the weeks on a voluntary first-come, first serve basis, up to the point that the yearly vacation schedule takes affect within their number departments.

The foregoing does not restrict, in any way, the Company's right to limit the number of employees allowed off at any one time relating to the above provisions.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/ap

Letter No. 141

March 7, 1983  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: VACATION SCHEDULING AND SPECIAL PAID ABSENCE FORMS**

During the 1983 Contract Negotiations, the Company agreed to continue its practice of mailing out vacation Scheduling Forms to all eligible employees who are on Vacation, S&A, Workman's Compensation, Jury Duty or Leave of Absence at the time of distribution of such forms.

During the 1999 negotiations the Company also agreed to mail S.P.A. Scheduling forms for the above specified absences as well.

The Company will also supply the Plant Chairperson with a list of all employees' names to whom the forms were sent.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 142

March 7, 1983

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: VACATION ABUTTING CHRISTMAS SHUTDOWN**

During the 1983 Contract Negotiations, the Company and the Union agreed to extend the vacation schedule to include the week prior to Christmas shutdown providing it contains four (4) work days. The fifth day, or designated holiday, would be paid in lieu of vacation.

Further it was agreed, the Company would not carve out other vacation week(s) from the April-December schedule period.

Yours very truly,

J.O. Vanest  
Manager Human Resources

JOV/jw



Letter No. 143

March 7, 1983  
Revised: October 25, 1996

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: LEAVE OF ABSENCE VERSUS VACATIONS**

During the 1983 Contract Negotiations, the Company and the Union agreed the scheduling of Vacations and Leaves of Absence may be open concurrently however vacations would take precedence over the approval of Leaves of Absence for the same time slot.

During the 1996 negotiations the Company and the Union discussed the issue of Chatham Assembly Plant employees being forced to take all P.A.A before being allowed to take a leave of absence. The parties agreed that employees will be encouraged to use P.A.A for a portion of the absence but that using all P.A.A will not be a condition of approval for the Leave of absence.

Yours very truly,

J.O. Vanest  
Manager Human Resources

Letter No. 144

October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW,  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: ADVANCED PREPARATION OF WEEKLY PAY CHEQUE**

During the 1993 Contract Negotiations, the Union and the Company discussed the advance preparation of an employee's weekly pay cheque when the employee has been authorized to be absent.

The company agreed to advance an employee's pay entitlement when, given the required notice, an employee is authorized for a full week of absence and at least four of the five days are eligible for P.A.A payments.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 145

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: DENIAL OF FULL WEEK P.A.A. REQUESTS**

During the 1999 negotiations, the Union expressed concern about employees being denied requests for an entire week of P.A.A as a result of one of the five days requested being previously fully booked.

The Company assured the Union that it will continue the current practice of the departmental superintendent reviewing such requests on a case by case basis to determine the practicality of overbooking the subject day.

Yours very truly,

J.J. Krete  
Manager, Human Resources

Letter No. 146

October 22, 1990  
Revised October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW,  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: TRAVEL EXPENSES**

During the 1990 Contract Negotiations, the Company and Union discussed the issue of applying expenses for travel while employees are on company business.

The Company agrees to book transportation (planes, trains, and company or rental cars) and hotels for travelers where appropriate. Additionally, Local 127 employees will be allowed a \$45.00 Canadian per diem for food and personal costs for travel in Canada or countries other than the USA. For travel in the USA the per diem will be \$45.00 in US dollars. This will be allocated as \$10.00 for breakfast, \$10.00 for lunch and \$25.00 for supper. For travel per diems for trips in large cities, these amounts will be increased by \$1.00, \$1.00 and \$3.00 respectively. These cities are defined as Vancouver, Calgary, Edmonton, Winnipeg, Hamilton, Toronto, and Montreal in Canada. In the U.S., they are defined as the following: Death Valley, Los Angeles, San Francisco, Aspen, Keystone, Silverthorne, Vail, Washington D.C., Key West, Chicago, Boston, Cambridge/Lowell, Martha's Vineyard/Nantucket, Atlantic City, Newark, Ocean City/Cape May, New York City, White Plains, Philadelphia and Newport.

When traveling, the Company will advance prior to departure funds to cover transportation and hotels not paid for directly by the Company, plus the per diem for expected local transportation to/from airports and/or hotel and place of business. All other local transportation being responsibility of the employees. All travelers will be expected to file full expense reports as soon as possible after returning from a trip, but no later than the last working day of each month. These reports must be accompanied by required receipts per Company policy as well as any unused advanced funds. The Company requires, regardless of its stated travel policy, receipts (other than for items covered by the per diem allowance) for all expenses incurred in Canada where the currently proposed Goods and Services Tax was or should have been charged extra or included in the cost of the item or service.

Yours very truly,  
P.G. Dahmer  
Controller

Letter No. 147

October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW,  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: SUPPLIERS SORTING IN THE PLANT**

During the 1983 Contract Negotiations, the Company and Union discussed the issue of Navistar suppliers sorting their defective material in the Chatham Assembly Plant.

In order to emphasize the importance that both the Union and the Company place on quality, it was agreed that when there is a need to sort vendor parts, the vendor may be requested to sort his/her material on the Chatham Site. When the vendor is sorting his/her material it will be done in the presence of our appropriate bargaining unit employee(s).

Supplier quality is critical to the quality of our vehicle.

Yours very truly,

J.J. Krete  
Manager Human Resources

Letter No. 148

October 25, 1993

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: HIRING PRACTICES**

This letter is to affirm that during the 1993 contract negotiations the Company agreed to distribute, upon request, an employment application for each son or daughter of a current or retired employee.

These applications will only be kept on file until November 1 of each year.

Yours very truly,

J.J. Krete  
Manager Human Resources

October 22, 1990

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW,  
Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: MANDATORY DRUG TESTING**

During these negotiations, the parties discussed the issue of mandatory drug and alcohol testing in the work place. In recent years, this issue has been the subject of considerable public debate and a number of legal cases in various jurisdictions. The parties agreed that the debate and case law in this area is still evolving, and it is yet unclear whether such testing will be unconditionally supported by the courts.

Some Governments have also introduced mandatory drug and alcohol testing for specific job functions. These laws recognize the concerns of a number of these legislators regarding the adverse effects of substance abuse on families, the workplace and the general public. The parties acknowledged that as the public gains a broader understanding of the costs and dangers associated with substance abuse, other governments may also introduce such laws and apply them more broadly.

Prior to any introduction of such legislation in Canada, the Company will not introduce drug testing into the workplace.

Yours very truly,

J.J. Krete  
Manager Human Resources

March 7, 1983

Mr. R.White  
UAW Director for Canada and International Vice President International Union,  
United Automobile Aerospace and Agricultural Implement Workers of America  
205 Placer Court  
Willowdale Ontario, M2H 3H9

**INTERNATIONAL**

Dear Mr. White,

**SUBJECT: CANADIAN MANUFACTURING COMMITMENT**

The Company recognizes the importance of employment security it affords its employees, and shares the desire of the Union to preserve those jobs and to create new jobs.

The Company reaffirms its objective to remain a viable, domestic enterprise and a major Canadian employer and declares its intention to achieve a competitive position within a framework which contributes to the job security of employees and which is responsive to the changing dynamics characterizing our industry.

In addition, International Harvester joins with the U.A.W. in supporting the principle that manufacturers who participate in the Canadian market should provide jobs, pay taxes and support the economy of the market in which they sell. As you know, International Harvester has, for decades, based its operations throughout the world on this very principle. We believe that over the longer run, no alternative policy can prevail if there is to be fairness and balance among the major trading nations of the world.

International Harvester commits to support acceptance of this principle, so that foreign producers will be encouraged to make their fair contribution to actions that will restore jobs to Canadian workers.

It is believed that the principles expressed in this letter will contribute significantly to our co-operatively working together to provide International Harvester employees in Canada with improved job security.

Yours very truly,  
J.E. Reble  
Director Human Resources

Jer/jv



Letter No. 151

October 19, 1987

TO ALL CHATHAM PLANT HOURLY EMPLOYEES

**SUBJECT: STATISTICAL PROCESS CONTROL**

Today's truck market is highly competitive and the surviving manufacturers will be those that provide the greatest customer value by producing quality vehicles at the lowest possible cost.

One of the tools which is being increasingly used in the plant to provide this value is that of Statistical Process Control (S.P.C.) S.P.C. allows the operator to have more individual control over his/her operation through control charts which provide advance warning of problems. The early warning allows for corrective action before the fact rather than after.

To date 141 employees have been trained in the use of S.P.C. with eleven (11) operations being monitored. As new areas are identified for application of S.P.C., additional employees will be trained.

The Company and the Union jointly support S.P.C. in the Chatham Plant and are committed to expand its use as one means of increasing the value of the products to the customer.

R.J. Hamilton  
Plant Chairperson  
Loc. 127 CAW,  
Navistar Unit

L.E. Clement  
Plant Manager

Letter No. 152

April 9, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: BUSINESS CONSULTANTS**

During the 1979 negotiations, the Union raised the question of the role of outside business consultants in International Harvester Company operations. Your particular concern has been the potential impact of consultant recommendations upon the contractual agreements that exist between the Company and the Union.

The Company has advised you that business consultants will not assume any of the functions of management as set forth in the labour agreements, but will be utilized to review Company operations and make recommendations on the improvements in systems, procedures, facilities, etc. In the event management elects to implement a consultant recommendation and it can be foreseen that such implementation will affect the union-Management relationship, the Company will meet with the Union to review changes that will take place. The purpose of such review will be to assure that the Union has the opportunity to raise any claim of violation of the labour agreement which would occur through the introduction of a new system, procedure or facilities plan.

J.O. Vanest  
Manager Human Resources

Letter No. 153

June 4, 1980  
Revised: November 12, 1984  
Revised: October 19, 1987  
Revised: October 28, 1991  
Revised: October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: ISSUANCE OF PAY CHEQUES**

This will confirm the resolution of certain issues concerning the distribution of pay cheques.

1. Cheques for employees on Second shift (Afternoon Shift) and Third Shift (Night Shift) will be available for pick-up by the foreman Wednesday at 3:00 p.m., for distribution to employees at the end of their shift Thursday morning. Departmental supervision, with 2<sup>nd</sup> and 3<sup>rd</sup> shift employees, must provide Accounting with a check-off list weekly by noon Wednesday to allow sufficient time to sort cheques.
2. Cheques for employees on First Shift (Day Shift) will be available for pick-up by the foreman after lunch, (1:00pm) on Thursdays, for distribution to employees that same afternoon, at the end of their shift.
3. Individuals who are on authorized absence for all or any portion of their Thursday shift, can have their Supervisor pick up their cheques in advance, but no earlier than 3:00 p.m. Wednesday. Cheques will only be handed out to the Supervisors or if Accounting has received authorization from the supervisor in advance.
4. Maintenance employees cheques will be available as follows:
  - Monday to Thursday Day shift - Thursday morning
  - Monday to Thursday Afternoon Shift – Wednesday evening
  - Friday to Sunday shift – Thursday afternoon from the Maintenance foreman
5. All direct deposit monies for Canada Trust and Heritage Credit Union will be processed and deposited to accounts on Thursdays.
6. Supervisors will return all cheques not distributed to employees to security at the end of the shift. Accounting will pick these up the following morning.
7. The only exception to the above will be if Friday is a bank holiday. Accounting will advance the payroll to ensure all employees receive their cheques prior to the bank holiday.

Yours very truly,  
L. Clement  
Plant Manager

Letter No. 154

September 28 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: GROUNDS MAINTENANCE**

This letter will confirm the understanding that the Company will continue its practice of contracting out the repair and rolling of all lawns, and the applications of herbicides, insecticides and fertilizers to all lawns.

It was also agreed that cutting and trimming of lawns and hedges, would be contracted out.

Yours very truly,

J.J. Krete  
Manager Human Resources

JJK/ad

Letter No. 155

November 1, 1984  
REVISED: October 22, 1990  
REVISED: October 25, 1993  
**REVISED: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Chatham Plant  
**INTERNATIONAL**

Dear Mr. **Deneau**:

**SUBJECT: PROTECTIVE OUTDOOR CLOTHING**

During the **2002** Contract negotiations, the Company agreed to obtain and maintain a total of six (6) pair of insulated coveralls and thirty-three (33) outdoor coats. These will be kept on hand, at the Chatham Plant, for use by employees who are required to go outside in bad weather. The location of these items will be as follows:

Department 2 – 6 coveralls for “permanently outside employees” & 10 coats  
Department 4 – 10 coats  
**Department 5 – coats, rain suits, and current style insulated coveralls as required.**  
Department 6 – 2 coats  
Department 7 – 2 coats  
Department 8 – 4 coats  
Department 9 – 3 coats  
Department 10 – 2 coats  
**Department 11 – as required**  
Department 12 – 2 coats  
**Department 14 – as required**  
**Department 15 – as required**

The Company will have these cleaned as required and replaced them only when normal wear and tear necessitate such.

**K. Sherring**  
Manager Human Resources

Letter No. 156

November 7, 1984  
REVISED: October 19, 1987  
REVISED: October 22, 1990  
REVISED: October 25, 1993  
Revised October 25, 1996  
Revised: June 3, 1999  
**Revised: June 1, 2002**

**Mr. D. Deneau**  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**INTERNATIONAL**

Dear Mr. **Deneau**:

**SUBJECT: JOB ELIGIBILITY TESTS**

During the 1984 negotiations, the concern of job eligibility tests to determine either basic qualifications or "walk-on-the-job" capacity was discussed. In 1996 negotiations it was agreed that the following classifications would require job eligibility testing, including reductions when employees have no other jobs to go to. Employees who are forced onto any of the classifications listed below may elect to bypass these jobs and take available work by the normal seniority provisions of this Collective Agreement. **Employees will not be required to take a job eligibility test in classifications where they can present proof of a government issued license.**

70-J	Mechanic All Purpose Production
29-J	Inspector Layout
035-H	Paint Repair
035T-J	Paint Repair Trainer
149-H	Spray Painter
149T-J	Spray Painter Trainer

The above listing has been established by the need to maintain a high level of expertise, therefore, in the future additional classifications may be added upon mutual agreement between the Company and the Union.

Job eligibility tests, as devised by the supervision of the Department with the opening, will be fair and equitable to ensure success potential for all applicants and of sufficient depth to eliminate those who would not be suitable for the opening in question.

In order to ensure consistency of application, the superintendent of the department in question will disclose the nature and scope of job eligibility tests with the area Union representative who must agree to respect the need for confidentiality so that no candidate will be given unfair advantage. The percentage (%) value that each question represents of the total value of the test will be listed on the test.

The area representative will be present during such test, and the outcome will be disputed or agreed to immediately.

In the event of a disagreement on test content or test score requirements for any new job, or test results, the Plant Chairperson and Manager of the affected function will involve themselves in the resolution of the

problem. Employees who do not achieve the necessary score required to pass a test will not be allowed to re-test for that same job until they are able to substantiate new upgrade qualifications for the job.

**In the 2002 negotiations, the Company and Union discussed issues related to the administration of testing. It was agreed that each year, testing will be offered in two-week periods in March, August, and November, provided the plant is operating, or during a three day window during a reduction period for those employees who are forced reduced. A notice will be posted seven calendar days prior to the start of the testing period. Employees who wish to take a test must notify their supervisor no later than the end of the first week of the testing period. Testing will be offered on a voluntary basis to those who have not previously taken a test or those who have failed a test and met the requirements stated in the paragraph above.**

**Employees who fail or elect to bypass tests in these periods will not be allowed to take tests outside of these periods and will have no contractual right to testable openings, which may arise until the testing requirements are met.**

**Employees who fail or elect to bypass job eligibility tests will have no eligibility for supplemental overtime in those classifications until they meet all testing requirements.**

**Employees who have failed a test in its entirety but who have passed portions of a test may be assigned during regular hours to jobs that require the skill they have passed.**

**Employees who leave a testable classification for any reason will not be required to re-test for a period of eighteen (18) months. Once that period has expired, all criteria contained in this letter will apply.**

Current test scores established for the 70-J Mechanic All Purpose Production and the 29-J Inspector Layout will remain in effect. For any new job that requires testing, the **Area Manager** and Union Committeeperson will mutually agree on the test score required to pass (where applicable).

During the 1996 negotiations, it was agreed that the following classifications be filled by seniority:

38E-G  
73B-G

However, the employee(s) entering the above classification will be given adequate on the job training for the first 39 hours. At the end of this time period, the Supervisor and the Union Representative will perform an evaluation of the employee to see if it is reasonable to assume that the employee will be able to function as a normal operator by the end of the 78 hour maximum training period. If the Supervisor and the Union Representative are unable to agree, the **Area Manager** or General Lead Supervisor will become involved.

If the employee does not show the basic skills required to perform the pool functions after 39 hours of training, the employee will be removed and placed on available work within the Department. If there is no available work within the Department, the employee will bump the lowest seniority employee in the plant, and the next eligible employee that applied for the position will be awarded it.

Employees who have advanced beyond the 39 hour evaluation will again be evaluated after 78 hours to determine if they are capable of performing the work in a satisfactory manner. Those employees who are unable to perform the work in a satisfactory manner will be placed in the same manner as the unsuccessful employee at the 39 hour evaluation.

Yours very truly,

**K.A. Sherring**  
Manager Human Resources

Letter No. 157

November 7, 1984  
Revised October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: TOOLS FOR 70-J**

During the 1984 Contract Negotiations, the issue of the Company supplying tools to the Mechanic All Purpose Production (70-J) for the duration of their trial period was discussed and resolved on the basis that the Company agrees to arrange for sufficient tools for the candidate's use during the two-week trial period.

The employee will be responsible to return all these tools to the Company at the completion of the trial period and will be liable to pay the Company for any missing items.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

JJK/ad



November 7, 1984

Mr. R.White  
UAW Director for Canada and International Vice President International Union  
United Automobile, Aerospace and Agricultural Implement Workers of America  
205 Placer Court  
Willowdale, Ontario M2H 3H9

**INTERNATIONAL**

Dear Mr. White,

**SUBJECT: MUTUAL COOPERATION**

During the current negotiations, the parties discussed mutually desirable objectives. Both parties recognized that to ensure employment opportunities for a maximum number of employees at the Chatham Plant, the long-term viability of both the Company and the Chatham Plant is essential. It is further recognized that in order to meet these mutual objectives and environment must exist which fosters cooperation, understanding and the application of a common sense approach in the relationship between all interested parties.

As a result of these discussions, the parties have agreed to establish a Committee on Employment Involvement composed of representatives of the Union and the Company. The Committee will meet periodically to review and evaluate programs and develop projects in this area.

The Company agrees to encourage its Plant management to cooperate in the conduct of such projects, and recognizes that cooperation by its Plant floor supervision is essential to the success of the program.

The Union agrees to encourage its members and their Local Union Representatives to cooperate in such projects and recognizes that the benefits which can flow on the cooperation and participation of those employees and the Local Union Representatives.

In summary, the Company and Union have set up a frame work for identifying and promoting issues of mutual interest to both the Company and its UAW represented employees.

Yours very truly,

J.E. Reble  
Director Human Resources

Letter No. 159

November 12 1984

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: CHANGES IN COMPANY POLICY**

During the 1984 Contract Negotiations, the Company and the Union discussed the subject of changes in Company Policy that affect hourly employees at Chatham Plant.

The Company agrees that it will advise the Plant Chairperson in advance, if possible, of any known changes in Company policy that will affect all hourly employees at the Chatham Plant.

Yours very truly,

J.J. Krete  
Manager  
Human Resources

JJK/ad

Letter No. 160

April 7, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale:

**SUBJECT: CONTRACT AND FACILITY COSTS**

The Company agrees that the cost of the meeting facilities during the 1980 contract negotiations would be paid by the Company, and the cost of printing the resulting contract would be shared equally by the Company and the Union.

Yours very truly,  
J.O. Vanest  
Manager  
Human Resources

Letter No. 161

June 12, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale

**SUBJECT: RECOUPING OF WAGE OVERPAYMENT**

In the past, the Time Office has come to a mutual agreement with the employee concerned as to the amount and period for the correction of wage overpayments.

Since there is a possibility of disagreement, the Company agrees that the maximum of \$30.00 per week will become the practice (unless the employee desires a larger deduction), until the full amount is repaid.

Yours very truly,

J.O. Vanest  
Manager  
Human Resources

JOV/dl

Letter No. 162

June 2, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale

**SUBJECT: TECHNOLOGICAL CHANGE**

It is recognized that continuing improvement in the standard of living of I.H. employees depends upon technological progress, better tools, methods, processes, and equipment and a cooperative attitude on the parts of all parties in such progress.

The Company is aware of the Union's concern regarding the scope and work content of the job classifications of employees covered by the contract and how such, may be affected by advances in technology. It is not the Company's policy to assign to other employees work which comes within the scope and content of that normally assigned to the U.A.W. represented employees at the Chatham Plant. The Company recognizes that the novelty or sophistication of new technology alone is not grounds for withdrawing work from employees represented by the U.A.W. However, the Company does not believe that the perimeters of a bargaining unit should be expanded by the inclusion of employees in job classifications covering work, which is inappropriate to the Local 127 bargaining unit.

It is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of U.A.W. represented employees at the Chatham Plant and that a change only in the means, method or process of performing a work function, including the introduction of computers or other new or advanced technology, will not serve to shift the work function from the Local 127 bargaining unit to other employee groups.

Advancing technology has created and will continue to create new and more complex problems bearing upon the work content of job classifications of employees represented by the Union. To minimize disputes concerning the particular problems occasioned by technological change, the following procedures are established:

1. In view of the Company's interest in affording maximum opportunity for employees to progress with advancing technology, the Company shall make available short range, specialized training programs for those employees who have the qualifications to perform the new or changed work, where such programs are reasonable and practicable. Therefore in the event the work performed by employees in the Local 127 bargaining unit is altered as a result of technological changes so that additional short range training may be required, the Company is willing to train such employees where practicable to enable them to perform such work.
2. Where the initial introduction of new or advanced technology at the Chatham Plant may cause a shift of work from the Local 127 bargaining unit to other employees, affect the job responsibilities of Local 127 represented employees, or otherwise impact the scope of the bargaining unit, Plant management will discuss the matter with the Union. Such discussion will take place as far in

advance of implementation of such technological change as is practicable. The Plant management will at that time describe for the Union, the extent to which such technological changes may affect the work performed by Local 127 represented employees at the Chatham Plant. Comments by the Union concerning the information provided will be carefully evaluated by the Plant management in accordance with the Company's Policy relative to the assignment of work which comes within the scope and content of that normally assigned to Local 127 employees at the Chatham Plant.

3. A committee on technological progress is hereby established, comprised of three (3) representatives from the Company and three (3) representatives from the Union. Not less than one (1) representative will be from the Company's Corporate Office in Canada and not less than one (1) representative will be from the International Union.

This committee will meet quarterly unless mutually agreed otherwise to discuss the development of new technology and its impact on Chatham Plant and upon the scope of the Local 127 bargaining unit. The committee will also review specific matters concerning advancing technology that may be referred to it by Local 127 or Plant management after discussions as set forth in the preceding paragraph have been completed.

4. In the event either the Company or International Union representatives on the committee on Technological Progress does not approve of the assignment of work functions as established, the subject matter in dispute will be processed in accordance with the applicable provisions of Grievance Procedure.

As a general statement to assist in the resolution of disputes over the allocation of work to Local 127 employees, the Company and the Union Have heretofore understood that:

1. Where a work function at the Chatham Plant preceded the certification of the Union, the work function will be assigned as it was assigned at the time of certification, unless there has been a written agreement otherwise.
2. Where a work function was introduced at the Chatham Plant following the certification of the Union, the work function will be assigned as it was originally assigned, unless there has been a written agreement otherwise.
3. The assignment of new work functions at the Chatham Plant will depend upon the work function involved and not necessarily upon the work tasks required to accomplish such work function.

Yours very truly,

J.O. Vanest  
Manager Human Resources

Letter No. 163

October 19, 1987

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW, IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton

**SUBJECT: INFORMATION MEETINGS**

During the 1987 negotiations, the Union expressed a desire to be kept better informed on matters affecting the long-term viability of the plant and the security of our employees. Accordingly, the Company agrees to establish regular information Meetings between the Plant Manager and the Plant Chairperson to discuss mutual concerns, such as schedules, pending changes to the work environment and work content within the plant, outside factors influencing the plant, etc. It is understood that members of the bargaining committee and the plant manager's staff may be included on items of particular concern.

The Company acknowledges the value of open communications in developing mutual trust and providing the Union an opportunity to provide input to the decision-making process. It is recognized that such decisions are ultimately at the discretion of the Company, and dependent on our ability to remain cost competitive.

L.E. Clement  
Plant Manager

June 14, 1980

Mr. R.E. Tindale  
Plant Chairperson  
Local 127 CAW IHC Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Tindale,

**SUBJECT: NEUTRALITY LETTER**

During the 1980 Chatham Plant negotiations, the Company and Local 127 of the U.A.W. devoted considerable time to discussion of the principles of mutual respect and acceptance. Particular emphasis was given to a review of the Company's position regarding the establishment of new manufacturing plants engaged in operations identical or similar to the Chatham Plant. The Union expressed its concern that the Company, by establishing such new operations, would diminish its represents at Chatham Plant.

The Company has assured the Union that the creation of new manufacturing plants does not represent any lack of acceptance between the parties. The Company has indicated that, if employees who may be hired to perform production and maintenance work at newly-established manufacturing operations select the U.A.W. as their agent through the certification process, the relationship so established will be on the same basis of mutual respect and acceptance that exists at the Chatham Plant. The Company further extended its assurance to the Union that it will maintain a neutral posture during any campaign that the Union mounts to convince employees at a newly-established manufacturing operations membership in the U.A.W. The Union has assured the Company in return that any such campaign will be conducted free from misrepresentation of fact and that the mutual respect reflected in this letter will characterize the conduct of the organizing effort.

The Company agreed that it will meet with the International Union prior to the opening of a new manufacturing plant which will produce products similar to those produced by Local 127 employees at the Chatham Plant. During this meeting the Company and the Union will attempt to reach agreement on the competitive utilization of the new facility and the conditions to be used for the initial staffing of production and maintenance jobs at the facility.

Yours very truly,

J.O. Vanest  
Manager Human Resources



Letter No. 165

October 25, 1993  
Revised October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW,  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher

**SUBJECT: GROUP PERSONAL COMPUTER PURCHASES**

During the term of the 1999 contract, the Union and Company will investigate a group buying plan for employees to purchase personal computers. This buying plan will be a one time purchase arrangement. The employee may select payment through payroll deductions of up to 78 equal weekly deductions.

The Company will not be responsible for financing costs, warranty, set-up, training, software or usage problems; these are the responsibility of the vendor/or purchaser. The financing agreement will be between the employee and vendor, not Navistar.

Implementation of the program will be subject to agreement of all details by the Union and company.

Yours truly,

K.P Keefe  
Controller

Letter No. 166

October 25, 1996  
Revised: June 3, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127, Navistar Unit  
Chatham Plant

**INTERNATIONAL**

Dear Mr. Dejaegher,

**SUBJECT: SECOND SHIFT PARKING**

During the 1999 negotiations the Company and the Union discussed second shift parking.

The Union requested that second shift hourly employees be allowed to park in the non-represented employee parking lot after the second shift dinner break. The Company agreed to this request provided that it does not result in a non-representative employee being unable to gain access to the lot. Should the situation occur, this practice will immediately be discontinued.

Yours very truly,

J.J. Krete  
Manager, Human Resources

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson Local 127 CAW  
Navistar Unit Chatham Plant

**INTERNATIONAL**

Dear Mr. Hamilton,

**SUBJECT: EMPLOYMENT STANDARDS ACT**

During the current negotiations the Union expressed concern about the possibility of future legislative changes negatively impacting existing employment standards as set forth in the Employment Standards Act (Ontario) June 5, 1995. During the negotiation process the parties acknowledged their reliance on this legislation as forming a basis for past practices in respect of employment standards not otherwise specifically covered by the collective agreement. As an outgrowth of these discussions, the parties came to the following agreement.

1. The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act, and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, the Corporation and/or its employees, shall be minimum requirements incorporated within this collective agreement; however, where this collective agreement provides higher remuneration in money or a greater right, benefit, term or condition of employment in favour of an employee(s) with respect to a particular standard, this collective agreement shall prevail.

A violation of the rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, the Corporation and/or its employees, may be subject to the grievance procedure of this collective agreement or may be prosecuted and enforced through the procedural mechanisms offered by the Employment Standards Act and Regulations thereunder, if permitted, as they exist from time to time, but not both.

2. During the 1996 contract negotiations, the Union expressed the concern that the provincial Government has and would amend the Employment Standards Act and or Regulations in a manner adverse to the interests of the Union and Navistar bargaining unit employees. It was agreed that the parties shall meet within thirty (30) days after the introduction of a Bill amending the ESA to the legislature to discuss the proposed Bill. The parties agree that the Union and/or Navistar bargaining unit employees shall not be disadvantaged in any way by any amendments to the ESA or Regulations thereunder made by the provincial Government. It is agreed that, for example, if any part of the collective agreement or past practice of the parties provides a greater right, benefit, term or condition of employment than the amendment to a particular employment standard, then the collective agreement or past practice shall prevail and apply. The parties agree that a difference between them relating to the application, alleged violation or interpretation of the above provisions may be subject to the grievance procedure under this collective agreement.

J.J. Krete  
Manager, Human Resources

October 25, 1996

Mr. R.J. Hamilton  
Plant Chairperson  
Local 127 CAW  
Navistar Unit Chatham Plant

**NAVISTAR**

Dear Mr. Hamilton,

**SUBJECT: WEEKEND AND HOLIDAY PAY RATE FOR THIRD SHIFT**

During the 1996 negotiations the Company and Union discussed the issue as to the proper overtime premium rates for third shift employees working a normal five (5) day week, that is, Monday through Friday. The parties agreed to the following:

- 1) The rate of time and one half (1 1/2x) will apply to all hours worked on a Saturday from the start of their normal shift time throughout the next 24 hour period. For example, if 10:00 p.m. is the normal start time, then, all hours worked from 10:00pm Friday night through 9:59 p.m. Saturday night will be paid this rate.
- 2) Likewise, the rate of double time (2x) will apply to all hours worked on a Sunday from start of their normal shift time throughout the next 48 hour period. Again, if 10:00 p.m. is the normal start time, then, all hours worked from 10:00 p.m. Saturday night, through 9:59 Sunday night will be paid at this rate.
- 3) The rate of double time (2x) will apply to all hours worked on a holiday for all normal shift hours, and triple time (3x) for the remaining hours within the twenty-four (24) hour period.

**Example #1: Friday (5.0 hr) holiday**

If 10:00 p.m. is the normal start time, and 3:30 am the normal finish time (i.e. 5.0 hr shift), all hours worked from 10:00 p.m. Thursday night through 3:30 AM Friday morning, will be paid the double time (2x) rate. The remainder of the twenty-four (24) hour period, (i.e. 3:31 am to 9:59 p.m.) on this Friday, will be at the triple time (3x) rate.

**Example #2: Monday (8.5 hr) holiday**

If 10:00 p.m. is the normal start time, and 7:00 am the normal finish time, all hours worked from 10:00 p.m. Sunday night through 7:00 am Monday morning, will be paid at the double time (2x) rate. The remainder of the twenty-four (24) hour period, (i.e. 7:01 am to 9:59 p.m.) on this Monday, will be at the triple time (3x) rate.

These amounts above are in addition to the holiday pay the employee would receive if eligible.

Yours very truly,

J.J. Krete  
Manager, Human Resources

Letter No. 169

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: PAYROLL DIRECT DEPOSIT**

During the 1999 negotiations, the Union and the Company discussed the possibility of payroll direct deposit for weekly pay cheques, to the bank of the employee's choice. The Company commits to making necessary arrangements to allow for direct deposit within one (1) year of the signing of this agreement, however the Company will endeavor to complete this project within (6) months of the signing of the agreement.

Yours Truly,

K.P. Keefe  
Controller

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: OVERTIME AND ABSENCE PROGRAMMING**

During the 1999 negotiations the Union requested modifications to current computer programs that track employee overtime and absences, specifically:

1. A program to record overtime worked at entry by timekeeper.
2. A program to record overtime hours worked within an individuals "own" department at entry by timekeeper.
3. A program to highlight the next employee on the waiting list for P.A.A.
4. A program to track previous absences that have "rolled-off" the display screen.
5. A program modification to automatically pick up hours from the grievance tracking system and add them to the employees overtime tracking record.

It was agreed that the Company will complete these programming changes within six (6) months of the signing of the Collective Agreement.

K.P. Keefe  
Controller

Letter No. 171

June 7, 1999

Mr. D.M. Dejaegher  
Plant Chairperson  
Local 127 CAW  
Chatham Plant

**NAVISTAR**

Dear Mr. Dejaegher,

**SUBJECT: INVOLVEMENT OF INDIRECT EMPLOYEES IN RELOCATION OF WORK**

During the 1999 negotiations, the Union expressed concern about past situations where work areas had been relocated without the knowledge of the area Materials Supervisor nor his/her hourly stock people. This in turn created difficulties for the stock people. In response to this issue, the Company has agreed that the Process Planners and/or the Company Industrial Engineering representatives will notify the area Materials Supervisor when they intend to move work areas. A work area for the purpose of this letter is not intended to refer to the movement of a few bins of stock.

Yours very truly,

J.J. Krete  
Manager Human Resources

September 17, 1999

Mr. D. M. Dejaegher  
 Plant Chairperson  
 Local 127 CAW  
 Navistar Unit Chatham Plant

Dear Mr. Dejaegher:

**FINAL QUALITY 4<sup>TH</sup> (WEEKEND) SHIFT AGREEMENT**

The basis of this agreement is to achieve flexibility and increased quality and productivity in the Final Quality Centre. Accordingly the parties hereby agree to create a 4<sup>th</sup> (Weekend) shift. It is agreed that should a shift be eliminated the last shift population shall be the first shift reduced. The hours of the four shifts shall be as follows:

	<i>1<sup>st</sup> Day Shift</i>	<i>2<sup>nd</sup> Afternoon Shift</i>	<i>3<sup>rd</sup> Midnight Shift</i>	<i>4<sup>th</sup> Weekend Shift</i>
Days	Monday – Friday	Monday – Friday	Sunday – Friday	Friday- Sunday
Shift Hours	Mon-Thur 6:00 am-2:00 pm Friday 6:00 am-1:00 pm (paid lunch)	Mon-Thur 2:00 pm-10:00 pm Friday 1:00 am-8:00 pm (paid lunch)	Tues-Fri 10:00 pm-6:00 am Monday 11:00 pm-6:00 am (paid lunch)	Fri-Sun 5:00 pm-5:30 am (unpaid lunch)
Hours at Work	39	39	39	36
Hours of Pay	40	40	40	44
Overtime Rate	Fri & Sat At 1½ X Sun and Holidays at 2x	Fri & Sat At 1½ X Sun and Holidays at 2x	Fri & Sat at 1½ X Sun and Holidays at 2x	Fri & Sat At 1½ X Sun and Holidays at 2x (max Hrs/day on Fri.Sat.Sun
Union Representation	No Change	No Change	No Change	Covered by Reps already Working
Public Holiday During Work Week	Day off with pay	Day off with pay	Day off with pay	Day off with pay
Public Holiday Outside Work Week	Pay in Lieu	Pay in Lieu	Pay in Lieu	Pay in Lieu
Non Public Holiday Outside Work Week	No pay – No time Off	No pay – No time Off	No pay – No time Off	No pay – No time Off

The above shift schedules do not prevent the altering of shift schedules or shift populations for vacation, holiday, shutdown periods, or other non-production days.

Note that the term “Public Holiday” refers to those days listed in the Employment Standards Act of Ontario. The current “Public Holidays” for the Day, Afternoon and Midnight Shifts above will be



Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day, December 26, New Years Day, as well as Civic Holiday (not a “Public Holiday”). The following “Public Holidays” apply to the Weekend Shift: Christmas, December 26, New Years Day, Good Friday, as well as Easter Sunday (not a “Public Holiday”).

#### Weekend Shift Employee Monday through Friday Overtime Eligibility

These employees will have equal opportunities for Day, Afternoon, and Midnight Shift overtime (i.e. Monday through Thursday), provided they are normal operators for the overtime assignment. The minimum four (4) hour call in pay provisions of Article 8.05, and 8.06 (**Paragraph 216**), will not apply.

#### Additional PAA Hours

Employees who are scheduled on the weekend shift on a Navistar Holiday Friday will be credited with PAA hours equal to the number of the Friday holiday hours.

D. Boland  
Manager, Production Operations

D. Dejaegher  
Chairperson CAW LOCAL 127

K. Sherring  
Labour Relations Manager

**CHATHAM MANNING AGREEMENT**  
**Daywork Pool Assembly**

1. The effective utilization of manpower is essential to being a low cost manufacturer in the competitive marketplace. To achieve this effective manpower utilization the Company must be able to direct the workforce according to production requirement.
2. Current work assignments for “direct labour” employee pools are structured on a minutes per day piecework system. The markets that we serve require a flexible assembly process to satisfy daily variation in product models, attachments, and major components. The most effective method to balance production requirements is to implement a fair and equitable daywork system based on standard data, other accepted predetermined time systems, past history, or other technology such as video, etc. This daywork system is based on the concept that individual work assignments are grouped together in “Pool Assignments”. A Pool Assignment is typically shared by 4 to 6 employees.
3. A “direct labour” assignment is an assignment that is repetitive enough that it can be broken down into elements, which can be assigned a specific time allotment. A “Pool Assignment” is defined as all work in an area that relates to a specific section of the production process, physical area of the Plant, or a logical grouping of jobs, as determined by management.
4. “Indirect labour” employee assignments will also be combined into “pool assignments”. Workloads for indirect assignments will be fair and equitable. Predetermined time systems, random sampling, past practice, other industry accepted practices, etc., will be utilized.
5. Employees assigned to a pool will be given the autonomy to determine the breakup of duties within the pool, and to make their own adjustments for variation in work content based on schedule and mix as required to ensure completion of the work assignment. The “Pool Assignment” will be shared among the pool members, and there will be a consistent/cooperative effort toward accomplishing the overall assignment. This will allow for equitable work distribution within the pool. Employees will request the help of others within the pool, and be willing to give help in return.
6. The pool assignment is an employee’s primary responsibility. However, temporary adjustments may be required due to changes such as schedule, mix, parts shortages, etc. These adjustments can result in additions or deletions of work or manpower within the pool, to other pools within the department, or to pools outside the department. A common sense approach will be utilized to determine the practicality of these assignments. Articles 7.18 and 7.11 will continue to be used for permanent adjustments between pools.
7. Successful implementation of Pool Assembly will result in increased FTQ, reduced repairs and scrap, reduced downtime, and elimination of idle time. The Company and Union recognize the need for change and support the modification, addition or deletion of Contract Language or Supplemental Documents or other agreements required to successfully accomplish these changes.

8. Any current written or unwritten practices relating to the establishment of work standards will not be carried forward or applicable to this new daywork system.
9. The parties recognize that daily rotation of duties is mandatory and will be achieved expediently, but with due consideration to first time quality during the life of this agreement. The parties also recognize that it may not be feasible to rotate all operations daily because of concerns for safety, etc. Exceptions such as this must be mutually agreed to by the parties. All members of the pool must support each other to avoid overloads or underloads of work to individual members.
10. All “direct labour” pools will be given a clear description of the duties and functions to be performed. No individual assignments, times or quantities will be displayed on the Pool Assignments.
11. When all pool assignments are complete and defect free, all members of the pool will be engaged in useful business related activities, such as “Workplace Organization”, training on unfamiliar pool duties, safety improvements, problem solving, etc.
12. Pool members will modify the distribution of duties within their pool to accommodate the easiest possible integration of employees entering the pool who are unfamiliar with the Pool Assignment. The Company will ensure that employee pools are not prevented from the ability to complete the entire “Pool Assignment” as a direct result of the integration of untrained employees.
13. Contractual seniority rights will be an entire “Pool Assignment” only. That is, individual members of a pool will not have seniority rights to specific duties within the overall “Pool Assignment” when manpower moves are initiated per section 7 of the Collective Agreement.
14. A pool assignment will not exceed a full normal shift minus contractually scheduled break periods. This agreement assumes that all employees will be gainfully occupied their entire shift and any agreements to the contrary are not applicable.
15. The Company recognizes that nothing in this agreement affects the Unions’ right to dispute any Company action within the grievance procedure.