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AGREEMENT

Between

**NAVISTAR INTERNATIONAL
CORPORATION CANADA
Chatham, Ontario**

-and-

**NATIONAL AUTOMOBILE,
AEROSPACE
AND AGRICULTURAL IMPLEMENT
WORKERS UNION OF CANADA
(CAW--CANADA)
AND Its LOCAL 35**

Dated March 10, 1997

01931 (06)

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PERSONAL RECORD

Name _____

Street _____

City _____

Home Telephone _____

Business Address _____

Business Telephone Ext. _____

Social Insurance No. _____

Employee Number _____

Occupational Health Center..... 352-1200

NOTE:

This book contains the **CLERICAL AND TECHNICAL MAIN LABOUR CONTRACT** executed on **March 10, 1997**, but does not contain those documents pertaining to the following:

- NON-CONTRIBUTORY RETIREMENT PLAN
- HEALTH SECURITY PROGRAM AGREEMENT
- S.U.B. PLAN
- LEGAL SERVICES PLAN
- INCOME MAINTENANCE &
- VOLUNTARY TERMINATION OF EMPLOYMENT PLAN

If you have any questions and/or problems in these areas, please contact your Committeeman and/or Supervisor.

1

Both the Navistar International Corporation, Chatham plant Truck Division and the C.A.W., Local 35, recognize their respective responsibilities under Federal and Provincial Statutes regarding Human Rights, fair employment practices or other similar constitutional statutory requirements.

2

In recognition of the practical and moral values of these responsibilities, the parties hereby reaffirm these commitments not to discriminate because of race, creed, colour, sex, age, handicap, national origin and ancestry where applicable as provided in the Ontario Human Rights Code or as amended by Provincial or Federal Statutes.

3

Whenever a reference to male gender appears in this Agreement and its associated documents, it is understood that such language is not restrictive and is intended to include females.

4

THIS AGREEMENT, made and entered into this **10th** day of March, **1997** by and between the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada) and it's Local 35, hereinafter referred to as the "Union" and the Chatham Plant of the Navistar International Corporation Canada, hereinafter referred to as the "Company".

WITNESSETH:

That the parties hereto have agreed as follows:

**ARTICLE I
SCOPE AND PURPOSE OF AGREEMENT**

5

1.01 It is agreed and understood between the Union and the Company that this Agreement (including the attached letters of understanding) sets forth herein all the agreements between them with respect to rates of pay, wages, hours of employment or other conditions of employment of employees covered hereby. This Agreement embraces only such matters as are specifically set forth herein, and that all other matters shall be subject to further negotiations.

6

1.02 The parties to the agreement have provided for a Pension Plan (Appendix E); a Health Security Program (Appendix F); Supplemental Unemployment Benefit Plan (Appendix E); Legal Services Plan (Appendix H) and Income Maintenance & Voluntary Termination of Employment Plan (Appendix J) by Supplemental Agreement signed by the parties simultaneously with the execution of the Agreement, which Supplemental Agreements are attached hereto and made parts of this Agreement as if set out in full herein, subject to all

provisions of this Agreement.

7

1.03 The general purpose of this Agreement is to assure employees certain desired working conditions, and to provide, through collective bargaining, for peaceable and orderly relations between the Company and its employees in order to secure an amicable and fair disposition of grievances, to prevent interruptions of work and stoppage of employee's payrolls, and to permit efficient operation of the Company business and protection of the interests of the public.

8

1.04 The Union recognizes that the ability of the Company to provide wages and working conditions satisfactory to its employees is, to a large extent, dependent on the cooperation of employees in maintaining efficient, and so far as possible, stabilized continuous operations, and to further this purpose the Union now agrees that for the time of this contract it will not authorize or support any strike or stoppage of work because of any matters covered by this Agreement for which the procedure for settlement herein provided is available but has not been utilized and will not authorize or support any sit-down or slow-down strike for any cause. Participation in any strike, slow-down, or sit-down, or stoppage of work brought about either by action of the Union in violation of this Agreement or by individuals or groups without Union authority shall be just cause for dismissal or discipline by the Company of any or all participating employees.

9

1.05 The Company, on its part, agrees that it will not lock out employees because of a dispute under this Agreement, and will adhere to the provisions contained herein for the settlement of all disputes and will, so far as it is within the Company's reasonable control, make every effort to continue plant operations while the dispute is being settled.

ARTICLE II RECOGNITION

10

2.01 Having been duly certified by the Ontario Labour Relations Board under date of December 4, 1950 the Company recognizes the Union as the sole representative of all employees in the bargaining unit as herein after 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 personal complaints to his supervisor or department head.

11

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.

12

(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 this certified Union.

13

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

14

All office and clerical employees of the Navistar International Corporation Canada in the City of Chatham, save and except:

- Managerial Employees
- Chief Engineer
- Controller
- Co-op Students
- Design Engineer
- Environmental Coordinator
- Human Resources Department Personnel
- Industrial Engineer
- Managers
- N.I.O. Systems/Data Services Analyst
- Preventive Maintenance Planner
- Product Engineer
- Product Engineering Coordinator
- Project Engineer
- Safety Coordinator
- Secretary to Chief Engineer..
- Secretary to Plant Manager..
- Senior Financial Analyst..
- Superintendents.,
- Supervisors
- Synchronous Manufacturing Coordinator..
- Systems Engineer..
- University Undergraduates

15

All new salaried positions created during the term of the Agreement shall be negotiated as to whether they should be included in the bargaining unit. If the parties cannot agree on the status of any such position, it shall be an item to be settled under the grievance procedure.

**ARTICLE III
REPRESENTATION**

16

3.01 The Union may appoint and the Company shall recognize six (6) committeemen, all of whom must be employed within the bargaining unit. Each committeeman shall at the time of

his appointment have at least six months seniority with the Company.

17

3.02 The Company agrees to recognize a Union Grievance Committee of not more than four (4) committeemen. The Company also agrees to recognize a Union Bargaining Committee of three (3) committeemen. One member of each committee shall be designated by the Union to act as Chairman.

18

3.03 The Union agrees to notify the Company in writing of the names of the Committeemen, the members and chairman of the Union Grievance and Negotiating Committees, the effective date of their appointment, also the department or departments which each committeeman represents.

19

The unit chairperson will advise the company of his/her alternate during absences from the plant.

20

3.04 When there is an increase or decrease of working force, the number of committeemen may be increased or decreased by mutual consent.

21

3.05 The Company will inform the Union in writing of the identity of its supervisors and the departments they supervise.

22

3.06 Union grievance committeemen and designated Union officers shall be permitted to leave the plant during working hours at such times as may be necessary for the performance of their duties as such representatives, provided that such absence will not seriously interfere with normal production operations. It is understood that such absent time is not to be paid for by the Company and that the standard gate pass shall be obtained from the supervisor before a Union representative shall be permitted to leave the plant.

23

3.07 The Local Union Election Committee will be excused upon request, to a limit of three (3), under the same terms applicable to other employees elected or appointed to various posts in Local 35.

24

3.08 No Local Union Committeeman 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 term of office, without the consent of the Local Union.

**ARTICLE IV
GRIEVANCE PROCEDURE**

25

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 cooperation of management and union representatives.

26

Should grievances 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 union or the company, there shall be no written grievance until an earnest effort has been made to discuss and resolve the grievance between the effected parties.

27

FIRST, between the employee affected and the supervisor, or between the Union Committeeman representing the department the effected employee and the supervisor. Such a meeting will take place within two (2) working days excluding Saturday, Sunday and Holidays from the time the Union representative requests the 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 second step of the procedure.

28

Prior to any written grievance being accepted into the second step of the procedure, the above meeting must have taken place, and all relevant facts documented.

29

SECOND, between the Union chairperson and the Labour Relations Manager. The employee involved, the area Union Steward, Supervisor, and/or Department Head may also be involved. Depending on the seriousness of the issue, the National Union representative and a representative of the Company's General Office may be included. A meeting for discussing grievances at this step will take place within fifteen (15) days of the submission to this step, unless otherwise mutually agreed to. Management's decision will be given in writing within ten (10) working days from the conclusion of the meeting.

30

Policy grievances can be submitted **directly to the Labour Relations Manager and if unresolved will be moved to arbitration.** 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.

31

Subject to all established plant rules, a representative of the National Union shall at the request of the Union **chair**, be permitted to enter the **office/plant** for the purpose of obtaining

necessary information pertaining to any grievance which has reached the **second** step of the grievance procedure.

32

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.

33

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.

34

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**. The notice shall contain the names of suggested arbitrators.

35

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.

36

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 to give any decisions inconsistent with it. He 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.

37

The parties to the grievance shall be bound by the decision of the arbitrator.

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

4.02 As soon as possible upon written identification from the C.A.W. National Representative to the Human Resources Manager, of unresolved grievances which the Union feels are appropriate for submission to the Expedited Arbitration process, the Company will arrange for a pre-arbitration meeting to be held at the Human Resources Department. The purpose of this meeting shall be to develop a full and complete discussion of the cases in issue and to reach agreement on the grievances to be scheduled for Expedited Arbitration. Should the Company not agree to schedule a particular grievance for Expedited Arbitration, it shall be processed as though appealed on that date in accordance with the regular procedure, unless withdrawn by the Union. However, a grievance protesting the discharge or

suspension of an employee will be scheduled for Expedited Arbitration if it is so desired by either the Company or the Union.

40

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 sections of the Agreement in support of its claim. The Company agrees that its decision on any such grievance, complaint, or dispute will be given to the Union in writing.

41

4.04 Failure of the Company to answer a written grievance within a reasonable time in the various steps of the grievance procedure shall entitle the Union to carry the grievance to the next step.

42

4.05 The Company shall be under no obligation to consider or process any grievance unless the same has been presented to the Company in writing within 45 days from the time the circumstances on which the grievance is based were known to those presenting the grievance.

43

All grievances regarding job postings or department change requests must be filed within five (5) working days from the time that the successful job applicant is posted, except in cases where a job bidder is absent with authorization, the grievance must be filed within five (5) days of his return to work or 45 days from the time that the successful job applicant is posted, whichever is sooner.

44

4.06 Also, 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 date of Management's written answer unless otherwise agreed to by the Management.

45

4.07 Weekly meetings, if necessary, on days mutually agreed upon by the Union and the Management, shall be held between the Union Grievance Committee and the Management of the Plant for the settlement of differences appealed to that step. The Union will submit its agenda covering the items to be discussed at least twenty-four (24) hours before the time of the meeting. However, matters pertaining to discharge or other matters that cannot reasonably be delayed until the time of the next regular meeting may be presented at any time in accordance with the foregoing provisions.

46

4.08 Whenever a grievance involving basic pay is settled in favor of the employee, such reimbursement of pay shall be retroactive to the date of circumstance which justified the reimbursement or sixty (60) days prior to the date of the presentation of the grievance to the Company in writing, whichever is the shorter period.

47

4.09 Union committeemen shall be afforded such time off without loss of pay as may be required for the performance of their duties as such representatives, namely:

48

(a) To attend regularly scheduled meetings with Management and to attend meetings with Management pertaining to discharges and other matters, which cannot reasonably be delayed until the time of the next regular meeting. Before leaving his or her place of employment, each representative shall give notice to his or her supervisor or other person designated for that purpose by the Plant Manager.

49

(b) To make necessary legitimate investigations of employee grievances provided the Union representative gives notice to his or her supervisor of the approximate amount of time to be spent. Earnest effort will be made to provide a substitute if the committeeman's absence will interfere with the normal operation of the department. 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 a Union representative who uses the time permitted for any reason other than making necessary legitimate investigations of employee grievances.

50

4.10 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 is entitled in line with his 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 to which he is entitled in line with his 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 is entitled in line with his seniority whichever is the later.

**ARTICLE V
EMPLOYEE DISCIPLINE**

51

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 infraction, 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 two (2) years or less of employment has falsified either medical, or employment records. The Company will not impose discipline for such offenses after two (2) years of employment.**

52

(b) An employee who is required to go to the Human Resources Department or his supervisor's office to discuss some action on his part which will result in such employee being disciplined, shall have his union representative present during such discussion unless the employee declines the right to have representation in the presence of his union representative. At the time an employee is to be interviewed for discipline or to be disciplined, such discipline will be issued in the privacy of an office.

53

5.02 Upon being notified of his discharge, it shall be the duty of an employee to leave his department and go to the plant employment office. The chairperson or the alternate 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 employment department are closed. The wages of an employee shall cease at the time of his discharge excepting in cases where it is later determined that the discharge was not warranted.⁵⁶

An employee who is discharged will be furnished with a brief written statement describing the misconduct for which the employee has been discharged. The office Chairperson will receive a copy.

54

5.03 In the event an employee is discharged from employment and believes he 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 the employee with regard to the discharge, the company agrees to reinstate him and to reimburse him for the wages he would normally have earned for the time lost, less what the employee has earned in outside employment since his discharge, to the extent of the hours he would normally have 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 receive a written grievance 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.

55

In the event the company is notified as above regarding claim of wrongful discharge, the employee will be permitted to continue his 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 for lost earnings, he will also be reimbursed to the extent of contributions he made to any such plans up to the amount which normally has been paid by the company in his behalf. 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 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 I of the Non-Contributory Retirement Plan whether the cause for his discharge should result in his being ineligible to receive a supplemental allowance under such Retirement Plan.

ARTICLE VI FUNCTIONS OF MANAGEMENT

56

6.01 It is agreed that the Company has the right to direct generally the work of the employees and to hire employees, to promote **and** transfer them for proper cause, **to discipline for just cause (i.e. counseling session, written reprimand, suspension or discharge), to** assign them to shifts in line with seniority and qualifications, determine the amount of work needed, and to lay them off because of lack of work in accordance with the provisions herein. However, no employees shall be discharged by the Company except for just cause, and none of the foregoing shall be used for the purpose of discrimination.

57

6.02 The Union further recognizes the right of the Company to maintain discipline of employees, including the right to make reasonable rules and regulations for the purpose of efficiency, safe practice and discipline.

58

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. Provided, however, that 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 Agreement.

ARTICLE VII SENIORITY

59

7.01 Employees shall be regarded as probationary employees for the first two (2) 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. An employee shall not acquire seniority until all such days of absence are made up. 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 Manager of Human Resources and the Union Office Chairperson. A probationary employee will have no seniority rights, but when such rights are acquired, service will date back to the date of employment.

60

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.

61

7.02 After two (2) months' employment within any period of twelve (12) consecutive months an employee shall be entitled to be placed on the office-wide seniority list and such seniority shall date from the date of hiring.

62

7.03 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, after the employee has completed a probationary period. Seniority numbers will be used for the purpose of lay-off, recalls, transfers and promotions.

63

7.04 When it becomes necessary to decrease the force in a department, such reduction of force will be made in the following order and manner:

64

(a) An employee with office-wide seniority whose job is affected by a reduction of force shall replace the shortest service employee in the same position grade whose job he is capable of performing in a satisfactory manner, first in his own department if such transfer is possible, but if not, then on an office-wide basis, and providing he has greater seniority. If such transfer is not possible, then such employee shall replace the shortest service employee in the next successively lower position grades in any office department whose job he is capable of performing in a satisfactory manner, and providing he has greater seniority. If no replacement on the above basis is possible, he shall be laid off.

65

(b) Probationary employees whose jobs are affected by a reduction of force will be laid off.

66

Under the procedure outlined above the senior employee will have the opportunity of displacing the shortest service employee in the same grade, on the shift of his choice, in his/her own department, but if this is not possible he/she may replace the next shortest service employee in the same grade and department, and so on to the extent that his/her ability and seniority will permit. If no such placement is possible, an employee with office-wide seniority may then have an opportunity to replace the shortest service employee in the same grade office-wide, on the shift of his/her choice if he/she has the necessary ability and seniority. If not, he/she may replace the next shortest service employee in the same grade, on the shift of his/her choice, office-wide, and so on, to the extent that his/her ability and seniority will permit.

67

If unable to replace a shorter service employee under the above procedure in the same grade, the employee shall have an opportunity to replace a shorter service employee in the same manner in the next successively lower grades, on the shift of his/her choice.

68

(c) Employee(s) reduced to layoff as per the application of this section may be as required by the Company withheld from layoff for replacement training purposes for up to eighty (80) continuous hours.

69

7.05 In all cases where, because of a reduction of force, an employee displaces another employee having shorter service, the longer service employee must be capable and witting to perform in a satisfactory manner the work of such shorter service employee. Where a dispute arises as to the ability of the longer service employee to perform the work, he shall be allowed up to two weeks (80 continuous working hours) under normal instruction in which to prove such capability. Normal instruction shall mean that an employee shall be given instruction comparable to that which would be given a new employee who has the basic qualifications for the position and who would be hired for it.

70

An employee demoted or transferred to another job, due to a reduction in force, shall have the right to return to his original job within six months, providing that such job becomes vacant. After the expiration of the six months' period, the job, when vacant, will be filled per the provisions of Section 7.16. An employee on layoff does not have restoration rights. However they would regain those rights when returned to work, for the balance of the six (6) months.

71

In all cases, an employee shall have the right to take a layoff not exceeding one (1) year, in lieu of being transferred. **If this option is selected, all of the employee's Departmental Transfer Requests will be removed from the system. The employee may chose to submit new ones prior to going on layoff. Also, the employee may submit Departmental Transfer Requests at any point during the layoff period. However, if the employee is accepted to fill an opening through such Departmental Transfer Request, he/she must return to work within five (5) working days from the point of being notified by the Company. Failure of such employee to return within the five (5) working days, or, at the**

end of one (1) year, if recalled, shall constitute a break in seniority. If, pursuant to this Subsection, an employee has chosen laid-off status in lieu of a transfer, such employee may reverse his choice and return to work in a position to which his seniority and qualifications entitle him, but this privilege of relinquishing laid-off status and returning to work may be exercised only once during the year of optional layoff. The employee must advise the Human Resources department at least one (1) week in advance of the new return to work date. It is understood that a layoff taken at a time when an employee's seniority and qualifications entitle him to other work in the bargaining unit will not entitle him to apply for benefits under the Supplemental Unemployment Benefit Plan except that an employee while employed in a skilled clerical or technical classification in salary position grade 8 or above who, rather than transfer to a job in a lower classification elects to take a layoff, shall not thereby become ineligible for benefits provided he meets the qualifications as set forth in Article I, Section 3 (b) (3).

72

7.06 When there is an increase in force, after steps outlined in Section 7.16 have first been exhausted and before new employees are hired, employees on layoff shall be recalled to work in order of seniority, using the overall list of laid-off employees, provided that employees entitled to recall by virtue of seniority must be capable of doing the available work in a satisfactory manner.

73

7.07 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,

74

(1) Employment and service shall both terminate when:

75

(a) An employee voluntarily leaves the Company's employ.

76

(b) An employee is discharged for cause, and the decision is not reversed under provisions of Article V herein.

77

(c) Due to layoff because of no work of an employee on the probationary list for period of more than eighteen (18) months has elapsed since the employee last worked for the Company.

78

(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 had acquired at the time of such layoff has elapsed, or a period of more than four (4) years has elapsed, whichever is longer.

79

(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 intent to work, and fails to report within five (5) working days from such date. These requirements will be waived provided an explanation is given which is satisfactory to Management, but in every case the employee must report within ten (10) working days from the above mentioned date. For purpose of recall it shall be the responsibility of an employee to notify the Employment Department 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.

80

- (f) An employee fails to report for work at termination of a leave of absence or furlough, unless reason for such failure to report for work is furnished which is satisfactory to Management.

81

- (g) An employee has been out of employment with the Company for more than forty-eight (48) 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 take exceptions to the seniority provisions of this contract in favor of an employee who has suffered a major disability.

82

- (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 XIV, unless such absence is waived for reasons acceptable to the Management.

83

Employee(s) may be subject to dismissal for chronic absenteeism without permission after having been formally warned regarding such practice. Employees may be subject to termination proceedings with the status of a quit employee 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 office chairperson when an employee has been absent four (4) days and is subject to the terms of this section.

84

- (i) (1) An employee retires under the Pension Agreement exclusive of any retirement for medical or disability reasons.

85

- (2) Seniority shall cease when:

An employee is, or was, transferred pursuant to Article 7.13 and such employee does not return to the bargaining unit within the prescribed time limits in Article 7.13 (c).

86

- (j) Inability to report for work up to a period of one hundred and twenty (120) 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 one hundred and twenty (120) days consideration will be given by local management based on 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 honor such program.

87

7.08 Former employees re-entering service after their continuity of service has been broken by any of the foregoing reasons shall be considered new employees.

88

7.09 The method of computing length of service for seniority purposes under this Agreement shall be on the basis of the Navistar Pension Plan then in existence for all service prior to January 14, 1952. All seniority service thereafter shall be computed on the basis as set forth in this Agreement.

89

7.10 The Company agrees to accord a preferred seniority status to members of the recognized Union Office Committee for the sole purpose, in the event of a reduction of force, or insuring that the Union shall have proper representation in the various departments as long as there are employees working in those departments to be represented. Committeemen 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. 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. In the event Committee members are affected by a layoff, the first to be laid off are Committee members, secondly the Bargaining Committee and lastly the Chairperson.

90

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 regular seniority.

91

7.11 An employee who is to be laid off because of reduced manufacturing schedules, or a reduction of force, will be given as much advance notice as possible, such notice not to be less than five (5) working days. Layoff notice shall be given to the employee in writing and when given in the first half of a working shift shall be considered to cover the first day. An employee not at work on the day notice would otherwise be given will be considered to have received notice effective the date the Company sends notice by registered letter to his last address as listed in the Employment Office. In the event an employee is given five (5) days minimum notice and employment is continued for a period in excess of ten (10) working days beyond the date of layoff notice, the employee will be entitled to an additional five (5) days minimum notice of layoff. This section will not be construed to prevent the Company from assigning employees in accordance with the provisions of this Agreement during such

notice period.

92

In the event that employees are required to be laid off due to an Act of God, the Company will not be required to give the employees affected, five (5) days notice of layoff.

93

7.12 The Chairman of the Union Grievance Committee shall be given the opportunity to review all contemplated cases of layoff or transfer due to a reduction of force before such moves are made effective.

94

7.13 (a) An employee in an excluded office position who formerly occupied a position now included in the bargaining unit may be returned to the bargaining unit for any reason. On his return he shall be credited with the seniority he had at the time he transferred from the bargaining unit and shall be required as a condition of such return to contribute to the Union by authorized payroll deduction the equivalent of current monthly Union dues, such deductions to commence with the first regular monthly deduction of Union dues following such return. Employees so returning will **displace the employee with the least seniority within the bargaining unit, whose job he/she is capable of performing in a satisfactory manner.**

95

(b) Employees in excluded office positions at Chatham Plant who were never employed in a position covered by the bargaining unit may only enter the bargaining unit under the conditions applying to new employees.

96

(c) These provisions shall not apply to Managerial and Excluded employees where the employee has been in a managerial or an Excluded position for a period exceeding six (6) months.

97

(d) Employees entering the bargaining unit for the first time from any other operation of the Company shall not be given credit for such service seniority purposes except by mutual agreement. However, when an employee was transferred from the office unit to the shop bargaining unit represented by Local 127 and is later re-transferred to the office unit, he shall receive credit for all service in both units for seniority purposes.

98

7.14 The Company will keep an up-to-date department seniority list available in the Employment Office for the information of Union representatives.

99

7.15 (a) The Company will furnish to the Chairperson every sixty days six (6) copies of an up-to-date office wide seniority list.

100

- (b) The Company shall post one (1) up-dated office-wide seniority list on the main bulletin board.

101

- (c) The Company will furnish the Office Chairperson, weekly, a list of all new employees, together with the names of employees recalled, transferred, or who leave the employ of the Company for any reason.

102

- (d) The Company will furnish to the Union on request, a list containing the names and addresses, as shown on the Company records, of all employees covered by the contract on the active employment rolls of the company. The union will take adequate measures to ensure that such information is treated in a confidential manner and is disclosed only to those Union officials whose duties require this information.

103

7.16 When a vacancy or new position occurs in any office department, at other than the annual vacation shutdown period, the following procedure will be used to fill the position:

104

- (1) An initial vacancy or new position will be posted for a period of twenty-four (24) consecutive hours. All subsequent vacancies resulting from the initial job will be filled through Departmental Transfer Requests without further postings. **If at the end of 30 calendar days after the selection of the successful candidates for all subsequent openings, the Company has not yet selected a candidate for the final opening, it will be posted for 24 hours.**

105

- (2) Employees may apply for a classification(s) within their own department, change departments, or apply for a specific classification within another department, by personally submitting a "Departmental Transfer Request" to Human Resources Department. A Human Resources Department representative will record the date and time received, initial the Departmental Transfer Request, and forward two (2) copies to the Union. The Union will return one (1) copy to the employee and keep the other on file, Human Resources Department will keep the third copy on file. Employees who submit a "Departmental Transfer Request" may specify a specific department, departmental section, shift, or classification. Neither the Human Resources Department nor the Union will disclose the content of the Departmental Transfer Requests in their files.

106

- (3) Employees may submit and retain a maximum of six (6) "Departmental Transfer Requests" on file at any one time.

107

- (4) Applicants who submit more than one (1) "Departmental Transfer Request" may designate their preference on such forms.

108

- (5) Employees may withdraw any or all “Departmental Transfer Requests” and consequently resubmit new requests. An employee wishing to withdraw a Departmental Transfer Request must initial the Human Resources Department copy which will then be returned by Human Resources to the Union.

109

- (6) Employees cannot withdraw or submit Department Transfer Requests from the completion of the posting period until the manpower roll has been completed.

110

- (7) At the point an employee is accepted on a “Departmental Transfer Request”, all outstanding “Departmental Transfer Requests” will be removed from the system. This does not restrict the employee’s right to re-submit.

111

- (8) If there are no applicants for the position, the Company will discuss the situation with the Union Chairperson.

112

- (9) There will be an annual purge of all Departmental Transfer Requests on file every January 1st. Human Resources Department will return all Departmental Transfer Requests to the Union at that time, who will in turn return them to the employees.

113

This shall not apply, however, where an employee is upgraded in the same position classification within a department. Applications from probationary employees will only be considered at the discretion of the Company.

114

Except where this section says otherwise, seniority shall govern in the filling of such vacancies in the bargaining unit where the applicant has the capability to perform the duties of the position in a satisfactory manner. If however, the position is filled by an employee having less seniority than other applicants for the position, the chairman of the Union Negotiating Committee shall be informed of the reason for such selection.

The exceptions are:

115

- (a) The Company will consider employee applications for but shall not be obliged to accept an application to fill any vacancy by making a lateral move in Position Grade Seven (7) between departments if a lateral move has been made from the applicant’s department in Position Grade Seven (7) within three (3) months prior to the date of the selection of the successful applicant for the vacancy. When the initial vacancy is filled by a lateral move and other vacancies are created in the process, all the other vacancies shall be filled by employees moving up from a lower grade.

116

- (b) When an employee has been accepted for a position Grade Six (6) or higher the

Company shall not be obliged to consider his application for another position until he has worked in the position for which he has been accepted at least three (3) months from the date of his last entry into that position.

117

- (c) Management shall have the sole right to determine who shall be assigned to the following (7) position classifications:

Coordinator General Accounting
General Accounting Coordinator/Cashier
Material Scheduler/Expediter Coordinator
New Program Materials Coordinator
Principal Buyer
Product Designer/Trainer
Quality Control Planner

118

- (d) In order to have sufficient time to secure and train new employees, as well as to train transferred employees, the Company may retain an employee on his then prevailing position for a reasonable period of time. In case of job postings and/or successive chain moves requiring not more than three (3) Departmental Transfer Requests in sequence, this period will not exceed two (2) weeks from the date the selection is made to fill the first vacancy. When four (4) or more Departmental Transfer Requests in sequence are required in a chain move, such period will not exceed three (3) weeks. This period of time may be extended by agreement of the Company and the Union.

119

The employee's rate of pay and Automatic Progression for the new position will become effective on the date he actually reports to the new position, however, if he is not moved within the time limit set out above, the employee will be paid the new rate, and placed into the Automatic Progression Schedule effective on the first day after the time limit expires.

120

- (e) When a selection has been made, the Company shall post the name of the successful applicant as well as the names of all other applicants on the main bulletin board within three (3) working days from the time of selection.

121

- (f) Where a dispute arises as to the ability of an applicant to perform the work, he shall be allowed up to ten (10) days, (80 continuous hours) under normal instruction in which to prove such capability, provided he has some related experience.

122

7.17 Employees excluded from the bargaining unit shall not perform work of employees covered by this Contract, except for purposes of instructing employees or in cases of emergency but in no event will employees of the unit thereby suffer loss of working time or regular earnings.

123

Co-op students and University undergraduates receiving special training for technical or supervisory positions may be assigned without regard for seniority to perform work that is of a like nature to that of employees covered by this Agreement as part of their training provided the number of such trainees does not exceed six (6) at any one time. However, no employee in the bargaining unit will be laid off, suffer a financial loss, or be transferred to a lower graded position by reason of the employment of such trainees.

124

The Chairman of the negotiating committee shall be notified of the name of the trainee(s) and the anticipated duration of the assignment.

125

7.18 In the event of transfer of any Chatham office operation to another location, employees will be given the opportunity to transfer to the other location in line with seniority and ability. Such a transfer shall be subject to conditions of employment existing at the other location except that the employee's service with the company shall be retained at the other location.

126

7.19 If a job, or the greater part of that job, is moved to another department, the employee will be given the option to transfer directly with the job to the new department or exercise contractual rights in the present department as per the provisions of Section 7.04. The term "department" for the purpose of this paragraph refers to a functional area of responsibility such as Material Control, Accounting, NIO, Plant Engineering, Product Engineering, etc., versus a sub-department identified by a number.

127

7.20 Whenever inventory is taken (except during the vacation period), no employee shall be laid off for lack of work resulting from the cessation of operations in his department for the purpose of taking inventory.

ARTICLE VIII HOURS OF WORK, OVERTIME POLICY AND HOLIDAYS

128

8.01 The regular working schedule (**also see letter 66**) shall be Monday to Friday inclusive. The normal working hours for employees covered by this Agreement shall be eight (8) hours per day and forty (40) hours per week.

The regular daily work hours shall be as follows:

FIRST SHIFT

Monday to Thursday

6:30 a.m. to 3:30 p.m.

7:00 a.m. to 4:00 p.m.

7:30 a.m. to 4:30 p.m.

Friday

6:30 a.m. to 11:30 a.m.

7:00 a.m. to 12:00 p.m.

7:30 a.m. to 12:30 p.m.

SECOND SHIFT

Monday to Thursday

3:30 p.m. to 12:30 a.m.

4:00 p.m. to 1:00 a.m.

4:30 p.m. to 1:30 a.m.

Friday

11:30 a.m. to 4:30 p.m.

12:00 a.m. to 5:00 p.m.

THIRD SHIFT

Monday to Thursday

10:30 p.m. to 7:30 p.m.

Friday

10:30 p.m. to 3:30 p.m.

129

The present schedule of department working hours which do not conform to the regular working hours as set forth herein, shall be continued.

130

However, the Company shall have the right to establish or change regular five-day, shift operations, outside the regular working hours, and will, prior to each case fully discuss the same with the Chairperson to resolve any problem which may result.

131

An employee who is required to work a straight eight (8) hour shift will be paid for an eighteen (18) minute lunch period.

132

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. No employee will be paid overtime twice for the same hours.

133

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., Income Tax and Union Dues.

134

8.02 Overtime premium equal to one half their regular salary rate computed on an hourly basis will be paid to employees for all hours worked or paid for in excess of eight (8) in a shift and for all hours worked on Saturday, and premium equal to their regular salary rate for all hours worked on Sunday which premium shall be in addition to the employee's regular salary rate. The provisions of this section will not apply where an employee's regularly scheduled shift either extends up to one half (1/2) hour into Saturday, or commences up to one half (1/2) hour on a Sunday. Those particular one half (1/2) hour periods, either prior to or subsequent to the day of the shift, shall be paid for at the rate payable for the main portion of the shift. Employees will not be paid for overtime work which has not been authorized by the Department Head. The Cost-of-Living Allowance shall be taken into account in computing overtime rates where applicable under the provisions of Article 8.

135

An employee who works in excess of four (4) hours overtime on a Sunday or Statutory holiday will be paid the same rate of pay for overtime hours worked before his normal shift on the immediately following day.

136

8.03 Each employee on the seniority list and currently in active service who performs no work on one of the following holidays (**also see letter 69**) shall be entitled to receive his current salary rate including shift bonus but excluding overtime.

1997:

Good Friday--Friday, March 28, 1997
Victoria Day--Monday, May 20, 1997
Canada Day--Monday, June 30, 1997
Civic Holiday--Monday, August 4, 1997
Labour Day--Monday, September 1, 1997
Thanksgiving Day--Monday, October 13, 1997

1998:

Good Friday--Friday, April 10, 1998
Victoria Day--Monday, May 18, 1998
Canada Day--Monday, July 6, 1998
Civic Holiday--Monday, August 3, 1998
Labour Day--Monday, September 7, 1998
Thanksgiving Day--Monday, October 12, 1998

1999:

Good Friday--Friday, April 2, 1999

Victoria Day--Monday, May 24, 1999

Canada Day--Monday, July 5, 1999

Civic Holiday--Monday, August 2, 1999

Labour Day--Monday, September 6, 1999

Thanksgiving Day--Monday, October 11, 1999

137

During the 199 I Negotiations an additional twenty-four (24) hours of Holiday time off will be scheduled each calendar year, to be taken in accordance with Letter 69.

138

If an employee is absent because of a personal disability and is eligible for Sickness and Accident Benefits or Workmen's Compensation Benefits for the designated holiday he will not be paid any difference between such benefits and pay for such designated day. If an employee is in receipt of Salary Continuation Benefits any designated holidays will be included in such Benefits.

139

Should government legislation compel observance of a holiday not designated herein, that holiday shall be substituted for an existing designated holiday, (other than a legislated holiday).

CHRISTMAS HOLIDAY SCHEDULE

	M	T	W	T	F	S	S	M	T	W	T	F	S	S
1997-1998	22	23	24	25	26	27	28	29	30	31	1	2	3	4
	W	W	H	H	H	-	-	H	H	H	H	H	-	-
1998-1999	21	22	23	24	25	26	27	28	29	30	31	1	2	3
	W	W	W	H	H	-	-	H	H	H	H	H	-	-
1999-2000	20	21	22	23	24	25	26	27	28	29	30	31	1	2
	W	W	W	H	H	-	-	H	H	H	H	H	-	-

W - Work Day

H - Designated Holiday

140

For any work performed on the day of observance of any of the designated holidays an employee shall be paid at double his regular rate of pay computed on an hourly basis, which will be in addition to his regular salary.

141

This provision will not apply where an employee's regular scheduled shift either extends up

to one-half (1/2) hour into such days, or commences up to one half (1/2) hour on such days. Those particular one half (1/2) hour periods, either prior to or subsequent to the day of the shift, shall be paid for at the rate payable for the main portion of the shift.

142

The same designated holiday as negotiated by Local 127 in 1996 and 1997 will apply to all employees in Local 35. The Company will not be obligated for any holiday(s) that may fall beyond the duration of the Local 35 Chatham Plant Agreement.

143

8.04 An employee who is laid off for any reason in the first, second, third or fourth work week prior to the week in which the Christmas Holiday Period begins shall receive pay for each of the holidays in the Christmas Holiday Period providing such employee worked in the week in which the layoff occurs.

144

An employee who is laid off for any reason in the fifth, sixth or seventh work week prior to the week in which the Christmas Holiday Period begins, shall receive pay for one half of the holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

145

However, an employee's failure to perform work during the week in which the layoff occurs shall be excused if due to one of the following reasons:

146

- (1) A personal injury arising out of and in the course of employment with the Company, provided such injury has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday.

147

- (2) Jury service.

148

- (3) Witness in court.

149

- (4) Scheduled vacation,

150

- (5) A temporary condition of no work available due to such causes as material shortages or trouble with machines or equipment but not including cases of separation from the payroll.

151

- (6) An employee reporting for work on one of his regularly scheduled work days is sent home because no work is available.

152

- (7) In the case of an accredited representative of the Union, if such failure to work is due to negotiating labour contracts with Management, attending meetings, or otherwise carrying on the legitimate duties of Union representatives provided that in any such case the Management shall have been notified in writing not later than the day prior to such absence and the employee has not been absent from work for more than thirty (30) calendar days prior to the holiday.

153

- (8) Absenteeism of an employee by reason of his confining illness, provided such illness has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday. Computation of the thirty (30) calendar day period shall begin with and include the first day of absence from work which he would be scheduled to perform but for his illness. In the event the thirty-first (31st) calendar day is a holiday, the employee shall be eligible for holiday pay. Reasonable excuse for such absenteeism shall be established by a statement from the attending physician of such person.

154

- (9) Leave of absence granted to militiamen for purposes of service in the militia, for required military encampment, training duty, or emergency duty, provided such absence has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday.

155

- (10) Absenteeism by reason of bereavement as set forth in Article 8.10.

156

8.05 Effective the effective date of this Contract, an employee performing work during second- or third-shift hours will be paid six percent (6%) over and above his current salary rate, but such premium shall not be taken into account in computing overtime remuneration.

157

A 2nd shift is defined as any shift commencing between 12:00 p.m. noon and 8:00 p.m. inclusive.

158

A 3rd shift is defined as any shift commencing between 8:01 p.m. and 4:00 a.m. inclusive.

159

8.06 (a) To the extent possible, the Company shall give forty-eight (48) hours notice of overtime to employees. The Company agrees that in cases of overtime in any department, the overtime will be equitably divided among the employees in the department who normally perform the work. However, employees must be qualified to do the work required.

160

- (b) An employee transferred to a department through a job posting, department transfer request or reduction procedures will be credited with the overtime hours equal to

the greatest amount then credited to an employee in the same normally performing group in the department.

161

(c) Employees at work at time of selection will be credited with the number of hours worked or refused.

162

(d) All credited overtime hours will be reset to zero at the beginning of the first pay period each January.

163

(e) A standardized format will be used to record overtime. The records will be updated weekly and visibly posted in the Supervisor's office or work area.

164

8.07 Employees required to work overtime will, to the extent possible, be given twenty-four (24) hours' advance notice of such assignment. If so notified they will be expected to provide their own supper. If such notification is not given, a supper allowance of \$3.00 will be paid if the period of overtime is more than two hours. The \$3.00 supper allowance payment will be made to the employee within three (3) working days following the overtime, whenever it is reasonably possible to do so.

165

8.08 An employee who has left the Plant premises and returns to work at the request of the Company at a time when he is not scheduled to work will receive his 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 may go home after its completion and will be paid at the straight time rate for the difference between the time required to complete the work and four (4) hours.

166

8.09 For tardiness beyond the five minutes from the regular starting time, an employee's salary will be deducted in increments of one (1) minute.

167

8.10 (a) When death occurs in his/her **immediate family** an employee with at least two (2) months' seniority service shall on request be excused with pay for any normally scheduled days of work **per the Schedule below** (or for such fewer days as the employee may be absent) during the days immediately following the date of death (excluding Saturday and Sunday) provided he/she attends the funeral.

Entitlement Schedule

Four Days	Three Days	One Day
spouse son or daughter parent sister of brother	stepparent grandparent parent of a spouse stepparent of a spouse grandparent of a spouse stepchild grandchild stepbrother stepsister half-brother half-sister son-in-law daughter-in-law	current spouse's brother current spouse's sister

168

In the event the body of a member of the employee's immediate family as above defined is not buried in the 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. After making written application therefore, the employee shall receive pay for any scheduled days of work for which he is excused (excluding Saturday and Sunday).

169

Under no circumstances will an employee be entitled to more than **four (4)** days bereavement pay.

170

(b) In the case of the death of a parent of an employee where the distance prevents attendance at the funeral, the employee will be allowed one (1) day with pay on the day of the funeral, provided satisfactory evidence is submitted.

171

(c) Pay shall be calculated on the basis of his current rate for the pay period preceding the date of absence.

172

(d) In relation to this section, when a death occurs in the employee's immediate family while the employee is on a week(s) vacation, he/she may elect to reschedule those vacation day(s) equal in number to that of the allowed bereavement as provided for in this section. Such absence if elected will be considered casual absence and deducted from the employee's remaining yearly allotment as specified in Letter No. 13. The re-scheduled date(s) must be mutually agreed to by the employee and area supervisor.

173

(e) For purpose of this section, a "spouse" will be defined to be the legal 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.

174

8.11 An employee shall be excused from work on a work day on which he performs jury service or (including Coroner's Juries) 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 governmental agency, provided he gives prior notice to his Supervisor. Such witness service shall include that performed on his own behalf, but shall exclude that resulting from service with another employer.

175

An employee shall be permitted to work part time outside his regular jury or witness service if the nature of his work is such as will permit this practice.

176

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:

177

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 regular wages for his regular shift.

178

An employee who performs jury or witness service and works on the same work day will be paid the difference, if any, between his actual earnings for the day plus the jury pay or witness fees (excluding itemized meal and travel allowances) and his regular wages for his regular shift.

179

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 regular wages for such time lost on his regular shift, provided he returns to his job promptly and would be able to perform at least two (2) hours of work on his regular shift. The requirement to return to his 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 loses time from work.

180

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 IX
VACATIONS**

181

9.01 All employees covered by this Agreement shall be afforded vacations as follows:

182

(a) An employee who has established the required service indicated in Column 1 by September 30 of the current year and who has at least nine hundred (877) compensated hours to his credit during the vacation work year (June 1 to May 31) will receive a vacation and vacation pay as shown in Column 2 and 3 of the Schedule shown below, based on such required service,

183

In the event there are insufficient days remaining in the year in which to take any or all the vacation to which he/she is entitled under this section, he/she shall receive vacation money in lieu of that portion of his/her vacation which he/she has been unable to take by the end of the calendar year.

184

COLUMN 1 Length of Service	COLUMN 2 Length of Vacation	COLUMN 3 Full Vacation Pay	COLUMN 4 % of Earnings
6 months but less than 1 year.	1 week	1 x weekly rate	4% *
1 year but less than 3.	2 weeks	2 x weekly rate	4% *
3 years but less than 10.	3 weeks	3 x weekly rate	6% *
10 years but less than 20.	4 weeks	4 x weekly rate	8% *
20 years or more.	4 weeks plus one weeks vacation or one week's pay, or the applicable % thereof, in lieu of vacation. #	5 x weekly rate	10% *

185

* Excludes overtime premium, but includes Cost-of-living allowance and shift bonus paid at the time the vacation is taken.

186

One week of vacation or vacation money in lieu of vacation is at the employee's option; the election must be made by March 31st of each calendar year.

187

Employees eligible for vacation per the above will also be entitled to additional hours of

vacation as follows, which may be taken in prescheduled four (4) hour increments.

Length of Service	Vacation Hours
6 months but less than 1 year	54
1 year but less than 2 years	62
2 years but less than 3 years	70
More than 3 years	78

188

- (b) Vacation pay will be based on the regular salary in effect on the date immediately prior to the employee leaving on vacation, including Cost-of-Living allowance, and shift bonus, if applicable.

189

A vacation for an employee who does not have nine hundred (**877**) compensated hours to his 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, but in no event shall be less than required under provincial law. Lost time which is paid for will be counted as time worked for the purpose of determining the basis of vacation pay.

190

- (c) 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 **877** compensated hours because of absence due to extended illness or injury, will be paid full vacation pay based on their entitlement under Section 9.01. These employees must also have achieved at least thirty-nine (39) consecutive compensated hours during the same vacation work year.

191

- (d) The vacation periods for office employees must necessarily conform as closely as possible to the vacation periods for factory employees. Consequently employees entitled to vacation of two or three weeks will be required to take their vacation during the designated plant vacation shut-down periods unless their duties specifically require otherwise. The Company will post vacation shutdown dates for the two to three-week period during July and/or August no later than **December 1st of the preceding** year. Such vacation shutdown(s) may at the Company's option, be split into two (2) separate periods. That is, a two (2) week shutdown, 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 or August. Employees entitled to more than three (3) weeks' vacation may take such additional vacation at any time which can be agreed upon between the employee and his Department Head, but such period must conform to the needs of the business. Due consideration will be given to seniority in assigning vacation schedules where practical. Vacations will not be assigned in periods of less than one week (with the exception of the additional hours specified in paragraph **187**), nor will they be granted after the end of the year in which the employee qualified for such vacation. Subject to the prior approval of the Department Manager or his nominee, an employee, with four (4) weeks or more of vacation entitlement, will be

permitted to take the fourth week (and the fifth week, if so entitled) in pre-scheduled, four (4) hour increments.

192

If after having identified his vacation time for his additional weeks, an employee desires to alter his vacation, he shall be given the choice of open weeks during which his services can be spared. In no such event shall he have the right to displace another employee from his vacation time.

193

Pre-scheduled vacation week(s) will remain as originally scheduled should the plant be partially or totally shut down outside of the annual vacation shutdown period(s).

194

Employees who have entered a new department will be notified of the necessity to change their scheduled vacation 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.

195

(e) An employee who qualifies for a vacation and whose employment is terminated for any reason before the vacation is taken will be paid the vacation money due at the time of termination. Likewise, in case of death, any unpaid vacation money will be paid to the estate of the deceased employee.

196

(f) Vacation pay may be drawn in advance on the day preceding the employee's vacation.

197

(g) When any one of the designated holidays referred to in Article VIII falls within an employee's regular vacation period he will be entitled to an extra day's vacation to be taken immediately prior to or following his regular vacation or at some other time upon agreement with his supervisor.

198

(h) In the event an employee experienced a death in the immediate family (as covered in 8.1 O(a)) prior to the end of the employee's shift on his last scheduled work day and prior to any scheduled week(s) of vacation (other than a vacation scheduled under Sub-section 9.01 (a), the employee upon verification of such death may at his request cancel the scheduled week(s) of vacation. Such canceled vacation will be re-scheduled under the above provisions for a subsequent week or weeks in the year if possible.

199

(i) An employee who qualifies for Salary Continuation or Sickness and Accident benefit while on scheduled vacation may return the vacation pay and collect the benefit, thereby deferring the vacation for a later available date, or, accept the vacation pay and not be entitled to the equivalent additional time off later. In either case, the employee can not collect both.

200

(j) No employee will be penalized in connection with his vacation attendance record for

any days lost as the result of an injury arising out of or in the course of his 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 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 payroll.

201

(k) 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.

202

(l) 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 of vacation up to a full week of vacation for such partial week. All such days beyond that which are unpaid shall be considered as authorized absence from work.

203

(m) 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 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 service as detailed in Section 9.01. An employee whose service is terminated after May 31 of a current year and prior to having taken his vacation and who has at least 877 compensated hours during the vacation work year to his credit will be paid full vacation pay based on his entitlement under Section 9.01.

204

(n) An employee who is notified of indefinite layoff, may request payment of unused vacation days (in excess of those days required for the annual vacation shutdown(s) but limited to a maximum of 80 hours), such request must be made at least two (2) weeks prior to the layoff. Once an employee elects this option there will be no further equivalent time off at a later date in that calendar year.

205

An employee who is laid off because of no work and has at least 877 compensated hours during the vacation work year to his credit will be paid in full vacation pay based on his entitlement under Section 9.01.

206

An employee who terminates service or is laid off because of no work after June 1 of any calendar year and prior to his 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 was employed. This vacation payment will be paid at the start of the vacation shutdown period, or no later than August 1 st.

207

A vacation payment made to an employee under this section shall not be considered as

extending the employee's period of service beyond the 1st day he performs work for the company.

208

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 7.07 and 7.09 and continuity of vacation service shall be considered broken under the conditions outlined in Section 7.07 (1) subsections (a) through (i) inclusive.

209

9.02 Active employees who have at least one year of seniority by May 31st of any year, and who have full vacation entitlement, will be eligible for a \$900 vacation bonus. Employees who qualify for only a portion of their full vacation pay entitlement will receive an equal proportion of the \$900 bonus.

This vacation bonus be divided in the following manner. No more than \$500 will be paid with the last pay before the first Summer vacation shutdown in each year. The remaining portion, if any, will be paid with the last pay before the annual Christmas shutdown. Employees who are on layoff, weekly sickness and accident benefits or full Worker's Compensation benefits who qualify for vacation, and who are not active prior to the Vacation Shutdown will receive their bonus at the end of the calendar year.

Employees who are entitled to full vacation pay, but quit or retire will receive any remaining bonus with their last pay.

ARTICLE X SALARY AND COST OF LIVING

210

10.01 (a) Effective **March 10, 1997** the weekly salary rate range shall be increased as follows:

All ranges will be increased by **2%**

211

(b) After the application of the general salary increase above, a special increase **\$8.00** will be added to the salary rate range for salary grades ten and above.

212

Salary Grade	1997	1998	1999
	(re: a & b above) Maximum	(re: c below) Maximum	(re: d below) Maximum
1	\$16.03	\$16.85	\$17.18
2	\$16.18	\$17.01	\$17.34
3	\$16.38	\$17.20	\$17.54
4	\$16.57	\$17.40	\$17.74
5	\$16.80	\$17.63	\$17.99
6	\$17.14	\$17.98	\$18.35
7	\$17.44	\$18.28	\$18.65
8	\$17.78	\$18.63	\$19.01
9	\$18.23	\$19.09	\$19.47
10	\$28.08	\$21.14	\$21.56
11	\$28.62	\$21.69	\$22.12
12	\$29.17	\$22.25	\$22.69
13	\$29.77	\$22.85	\$23.32

213

(c) Effective the first pay period on or after **March 10, 1998** a general salary increase of **two percent (2%)** will be added to the salary rate range for each classification.

214

(d) Effective the first pay period on or after **March 10, 1999**, a general salary increase of **two percent (2%)** will be added to the salary rate range for each classification.

215

(e) Effective **March 10, 1997**, **sixty-two cents (\$.62)** per hour (**\$24.80** per week) shall be transferred from the former cost-of-living allowance (**\$.89**) and shall be added to each employee's weekly salary rate.

216

(f) These salary adjustments have been incorporated into the salary schedules as shown in Appendix A, B, and C attached hereto.

10.02 COST-OF-LIVING ALLOWANCE

217

(a) The cost-of living allowance provided herein shall be paid to each employee for each hour for which he is paid. The cost-of-living allowance shall be included in computing vacation pay, holiday pay, call-in-pay, bereavement pay and jury duty pay.

218

The cost-of-living allowance to be paid on vacation hours shall be the allowance which is applicable at the time the vacation pay is calculated in accordance with the provisions set forth in Article IX.

219

The cost-of-living allowance shall not be added to the salary rate of any position grade but only to each employee's straight time earnings.

220

(b) Effective with the adjustment scheduled for August 1, 1991, the cost-of-living allowance will be based exclusively on the Consumer Price Index published by Statistics Canada (1986=100) base in accordance with the Letter of Understanding signed by the parties. 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 February 1991, 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 February, 1991.

221

(c) Adjustments during the period of this Agreement shall be made at the following times:

Based upon the three month average of the Consumer Price Index.

**Effective Date of
Adjustment on
First pay period
beginning on or
after**

May 1, 1997 **	Jan., Feb., Mar. 1997
Aug. 1, 1997	Apr., May, June 1997
Nov. 1, 1997	July, Aug., Sept. 1997
Feb. 1, 1998	Oct., Nov., Dec. 1997
May 1, 1998	Jan., Feb., Mar. 1998
Aug. 1, 1998	Apr., May, June 1998
Nov. 1, 1998	July, Aug., Sept. 1998
Feb. 1, 1999	Oct., Nov., Dec. 1998
May 1, 1999	Jan., Feb., Mar. 1999
Aug. 1, 1999	Apr., May, June 1999
Nov. 1, 1999	July, Aug., Sept. 1999
Feb. 1, 2000	Oct., Nov., Dec. 1999

222

10.02 (d) Effective for the August 1, 1991, and for any period thereafter as provided in

section 10.02 (c), the cost-of-living allowance shall be based on the Consumer Price Index published by Statistics Canada (1986=100) with one cent (1 cent) adjusted for each .073 change in the Average Index.

223

(1) 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.

224

(e) (1) 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 10.02 (c), any adjustment in the allowance required by such appropriate indexes shall be effective at the beginning of the first pay period after the receipt of the Indexes.

225

(2) No adjustment 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.

226

10.03 The Company shall classify all employees in the proper position classification consistent with the assigned duties and responsibilities of each individual employee or group of employees and the appropriate position description. **The Company and the Union have established a Job Review Committee comprised of two (2) Union and two (2) Company representatives or their designates.**

227

- (i) **The purpose of the Job Review Committee will be, (by consensus), to:**
- a) Ensure all jobs are properly classified consistent with the assigned duties and responsibilities of the job.**
 - b) Draft and approve new and revised job descriptions, with input from the incumbent(s) and supervisor(s).**
 - c) Determine the job requirements, with input from supervisor(s) and job incumbent(s).**
 - d) Determine if the job should be a progressive job, that is, either automatic progression or progression dependent on obtaining requirement thresholds.**
 - e) Determine when tests will be used as a requirement for job eligibility or to resolve a dispute.**
 - f) Be responsible for keeping current all of the position descriptions**

covering every position in the bargaining unit, the position grade into which such position falls and this shall constitute the salary classification book for Local 35.

228

- (ii) For jobs for which there are agreed upon “requirements”:
- a) Article 7 and related Supplemental Letters shall be superseded except during the exercise of seniority rights for reduction of force purposes.
 - b) The JRC may determine if the Company’s “Right of Selection” shall apply to a job.

229

- (iii) For jobs for which there are no agreed upon “requirements”, the provisions of Article 7 and related Supplemental Letters shall apply.

230

- (iv) Should the “requirements” of a job change after an employee leaves it, he/she will not be required to meet the new “requirements” upon returning to that same job at any time point in the future.

231

- (v) For jobs for which there are agreed upon job “requirements”, evidence that an employee meets the job “requirements” must be on file:
- a) at the time of filling a Department Transfer Request, or
 - b) within the twenty-four (24) hour posting period for the initial job openings.

232

- (vi) Where two (2) or more employees meet all of the job “requirements”, the most senior employee shall be awarded the job.

233

- (vii) For the purposes of this article, the term job “requirement” is defined as one, or any combination of the following items that the Job Review Committee has applied to the job:

- related experience
- related skill sets
- related training
- related education
- the ability to pass a mutually agreed upon test
- other factors as determined by consensus of the Job Review Committee

234

- (viii) Where the Job Review Committee cannot come to consensus on either the:
- a) job description

or, b) job “requirements”
or, c) job salary grade
or, d) job classification

the Company will have the unilateral right to establish the item(s) (a, b, c, or d above) that are in dispute. The Union will in turn have the right to challenge the unilaterally imposed item(s) through the grievance procedure including arbitration.

235

(ix) All jobs not listed in Appendix “D” of this agreement or agreed to by the Job Review Committee during the term of this agreement will be considered as a “new position” and will be reviewed by the Job Review Committee prior to posting and be subject to the provisions of this section.

236

The Company shall determine the employee’s salary rate within the established rate range for the position classification to which he is assigned.

237

10.04 The Company agrees to furnish the Union with a list of all employees in the bargaining unit showing their position title and grade and to keep the Union informed of any changes.

238

10.05 For the purpose of determining when an employee shall be entitled to be advanced to the next higher salary rate on a service basis, service will begin with the effective date of employment or promotion, whichever is the latest. Such service will be broken if an employee quits, is discharged, fails to return when recalled following layoff, or fails to return at termination of a leave of absence, furlough or vacation, in accordance with the provisions of Section 7.07. Such an employee if re-employed will be regarded as a new employee for the purposes of applying this section, and his service will commence from the date he is re-employed.

239

Where an employee is away from work by reason of a layoff, furlough, leave of absence or an extended physical disability exceeding thirty (30) consecutive days in any one service period required for automatic increases, such time off will be deducted in applying the automatic adjustment in salary. Absences of thirty (30) days or less for these reasons will not be deducted in acquiring service for automatic increases, but all absence as the result of a strike of employees represented by Local 35 C.A.W. will be deducted.

240

10.06 If an employee feels that he/she is:

1. **Improperly** classified based on the established occupational description.
2. **Assigned** to and performing duties in addition to those provided for in his occupational description.

3. **Performing** a set of duties which are not described in any existing occupational description; i.e. that no appropriate classification exists covering the duties of the occupation.

241

Such matters will be referred to the Job Review Committee for resolution. The Job Review Committee will attempt to review all submissions within 30 days of receipt. Any adjustment in Salary Grade will be retroactive to the date of receipt. If the Job review committee cannot reach consensus both the Union and the Company will have the right to forward the dispute to arbitration.

242

10.07 (a) Temporary assignments shall not exceed three (3) weeks following the week in which said assignment commences, or at the commencement of such assignment where it coincides with the start of the payroll week, unless extended by agreement between the company and the local union, provided, however, that the temporary assignment of an employee who is replacing an employee on vacation may be for the period of the replaced employee's vacation.

243

(b) When an employee is temporarily assigned (not reclassified) to work in a classification in the same or lower salary grade he shall be paid his salary rate for his classification for the time involved.

244

(c) When an employee is temporarily assigned (not reclassified) to work in a classification in a higher salary grade he/she shall be paid as follows for the total period of the temporary assignment.

245

(1) If he is temporarily assigned to work in a classification which he previously held, he shall be paid the salary rate he last received in such classification, adjusted to reflect any intervening changes in the salary level of such classification, or his salary rate for his classification, adjusted by a fifteen (\$15.00) per week temporary assignment increase, whichever is higher.

246

(2) If he is temporarily assigned to work in a classification which he has not previously held, he shall be paid the minimum of the salary range applicable to such higher classification, or his salary rate for his classification, adjusted by a fifteen (\$15.00) per week temporary assignment increase, whichever is higher.

247

10.08 If as a result of reduction in force an employee with seniority rights is transferred to a lower graded position, such employee shall receive his then current salary if such rate does not exceed the maximum rate established for the position. However, if his current rate exceeds such maximum, the maximum rate will apply.

248

A probationary employee transferred to a lower rated position for any reason shall receive the minimum salary of the position grade to which transferred.

249

10.09 An employee will be considered to be demoted when reclassified to a position in a lower position grade. When an employee is demoted for reasons other than a reduction of force he will be paid a salary within the salary range for such lower grade at least equal to the relative position he occupied in the grade from which demoted.

250

An employee voluntarily requesting a demotion for personal reasons, and consented to by the Management will retain his current salary, but not to exceed the maximum rate of the new position grade.

251

10.10 An employee will be considered to have been promoted when he assumes new and additional duties on a different position in a higher position grade. **The following details the salary rate payable:**

252

1. When an employee is promoted to a salary grade level that is higher than any other he/she has previously occupied, the employee shall receive a rate of pay equal to his/her current salary plus at least \$10.00, or, the minimum of the new salary grade, whichever is greater.

253

2. When an employee is promoted to a job that falls within the salary grade that is the highest grade level the employee ever occupied in the past, he/she will receive a rate of pay equivalent to the highest progression level achieved at the new grade level, or, his/her current salary plus at least \$10.00 increase, whichever is greater. At no time however, can the new salary level exceed the maximum of the salary grade.

254

3. When an employee is promoted to a job that falls within a higher salary grade level, but, which is still lower than the highest salary grade level the employee ever occupied in the past, he/she will receive a rate of pay equivalent to the maximum of the new salary grade.

255

10.11 When a position is re-evaluated, and by such re-evaluation is placed in a higher position grade without a change in duties and responsibilities in the position, an employee currently assigned to such position and whose salary grade shall be affected by such re-evaluation will have his salary rate adjusted to the same relative position within the new salary grade that he occupied in the lower salary grade prior to the re-evaluation of the position. However, no salary adjustment will be made if the employee's current salary is in excess of the maximum of the higher position grade, and no salary adjustment increase shall be applied which would cause the employee's adjusted salary rate to exceed the maximum of the higher salary grade. The movement of an employee from the lower to the higher position

grade shall not be considered as a promotion and the promotional increase provisions outlined in this Agreement shall not apply.

256

When a position is re-evaluated, and by such re-evaluation is placed in a lower position grade without a change in duties and responsibilities in the position, an employee currently assigned to such position and whose salary grade shall be affected by such re-evaluation, will retain his current salary rate in the new position grade.

257

Re-evaluation of an existing position shall become effective as of the date of such re-evaluation without retroactive salary adjustment prior to such effective date.

258

10.12 A laid-off employee who returns to work on the position which he held at the time of layoff will be rehired at his last salary. However, any general increase or decrease in salaries occurring during the period of layoff will be added to or deducted from the former salary rate.

259

10.13 Other than employees returning from military service who may qualify for reinstatement, a former employee re-hired after a break in service will be considered as a new employee,

ARTICLE XI SAFETY AND SANITATION

260

11.01 The Company agrees to continue to furnish healthful working conditions at all times, and to provide adequate and modern devices with regard to safety and sanitation. Whatever machinery and equipment the company furnishes shall meet with all the required legal standards of safety and sanitation. Any recommendations or complaints under this Article will be the subject of negotiations under the procedure provided for in this Agreement. The Union agrees that it will endeavor to have its members observe all safety rules.

261

11.02 The Office Joint Health and Safety Committee (JHSC) will be composed of two (2) Union Representatives and two (2) Management Representatives and will meet every month. This joint committee will review all ongoing business pertaining to the **Health & Safety and Ergonomics** activities in the Chatham Office of Navistar.

262

11.03 The Office Joint Health and Safety Committee will conduct its monthly inspections accompanied by the Head of the Department being inspected (or his/her representative), and the Chairman of the Office Safety Committee (or his/her replacement). The JHSC, in order to resolve technical questions, may call an appropriate technical person upon reaching mutual

agreement that such technical advice is required.

263

Recommendations agreed to and documented by the JHSC 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 for an additional thirty (30) day period due to unusual circumstances.

264

In the event an employee believes that a hazardous condition exists in his/her work area, the employee will contact his/her Supervisor. If the Supervisor fails to satisfactorily resolve the problem within a reasonable period of time, the employee will ask his/her supervisor to call the employee's Committee person to discuss the problem further.

265

If the problem is still unresolved, the Department Head will call the Plant Safety Coordinator, who, in company with the Co-Chairman (or designee) of the JHSC, will make a decision on the problem.

266

11.04 The Company will notify the JHSC of all accidents which require the filing of a W.C.B. Form 7, and will supply copies of the Form 7, the Supervisor's Accident Investigation Report and any other correspondence with the W.C.B.

267

11.05 The Company will supply, without cost to the employee, safety glasses and hearing protection (muffs or plugs) as required. The safety glass program will be the same as that provided in the plant. Smocks will be provided at no cost to employees.

268

If a dispute arises as to whether or not a need for smocks exists and the Union can justify such need to the satisfaction of the Labour Relations Manager, the smocks in dispute will be provided.

269

Additionally, one pair of insulated winter coveralls or jacket will be supplied to:

- (a) one Quality Control Planner (classification #8 10-013) and
- (b) one Compliance Coordinator (classification #035-011)

270

11.06 As long as there is an Ergonomic Committee, Local 35 will have a representative on that committee.

271

11.07 It is agreed that a C.A.W. National Union Safety Representative who is familiar with Canadian Safety Law will be permitted, by mutual consent, to conduct safety inspections as required at the Chatham Office in Company with Union and Management representatives.

272

11.08 The JHSC will accompany the Ontario Department of Labour Safety Inspector on inspection of specific call-in complaints.

273

11.09 The Company will provide access to the on-line information system of the Canadian Center on Occupational Health and Safety and provide the necessary training on the same basis as that for Local 127.

274

11.10 To assist the office safety representative in the performance of his/her duties, the Company will solicit his/her recommendations regarding training needs required to enhance job knowledge.

275

In addition, the Company will include office Union Stewards into the first aid training course now provided at the plant for the security staff. Office -attendance will not be mandatory for this off-hour course, nor will there be any expense to the Company.

276

The Office Joint Health and Safety Committee and the Office Chairperson shall be allowed to attend all Health and Safety conferences provided in the Local 127 Collective Agreement.

277

11.11 The Company agrees that any employee, who due to the nature of his/her job is required to spend some time in the plant will be reimbursed the sum of **fifty (\$50.00)** Dollars, when he purchases a pair of safety shoes. Employees in classification 160-010 "Paint Technician" will be reimbursed **at the same rate and frequency as the Local 127 painters.**

278

To be eligible for reimbursement, an employee must present the receipt for such purchase to the Plant Safety Department.

279

11.13 The Company agrees that:

- (i) The office washrooms will be cleaned and serviced daily.
- (ii) Lights in the office will be cleaned and serviced as required.
- (iii) A Union Management Committee on Alcoholism and Drug problems of employees will be set up.
- (iv) Washrooms will be painted upon recommendation of the Office Safety Committee, when required.
- (v) Washrooms will be included in the Safety Inspection taken every two months.

ARTICLE XII
MAINTENANCE OF UNION MEMBERSHIP AND CHECK OFF OF DUES

280

12.01 All employees in the bargaining unit who are members of the Union as of the effective date of this Agreement, or who may become members during the term of this Agreement, shall be required as a condition of continuing employment to maintain their membership in the Union to the extent of current weekly dues and sign an "Authorization to Deduct Union Dues" form as provided.

281

All employees in the bargaining unit who have been paying the equivalent of weekly Union dues by virtue of having signed an "Authorization to Deduct Union Dues" form shall be required as a condition of continuing employment to continue to make such payment for the term of this Agreement.

282

12.02 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 weekly Union dues, and for such purpose to sign an "Authorization to Deduct Union Dues" form as provided.

283

12.03 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 and initiation fees and general assessments levied per week from the weekly pay of such employee, all such deductions to be transmitted to the Financial Secretary of the union on or before the 25th day of each month.

284

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

285

12.04 The Company will, at the time of making such payment to the Financial Secretary of the Union, name the employees from whose pay such payment has been deducted.

286

12.05 If during the regular pay for deductions of Union dues or initiation fees an employee, because of absence, has no earnings, such deductions shall be deferred to the regular deduction period in the following month, provided, however, that the employee has had 40 hours or more of 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 only shall be made, and the next deduction shall be made during the first subsequent month in which the employee has performed the amount of work

required above.

287

12.06 The Union agrees to keep the Company harmless from any claims against it by an employee which arise out of the deduction from the employee's wages of Union dues or fees.

SCHEDULE "A"
AUTHORIZATION FOR CHECK-OFF OF DUES

Date

To Navistar International Corporation Canada
Chatham, Ontario.

I hereby assign to Local 35, National, United Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada), from any wages earned by me or to be earned by me as your employee, the amount required to discharge my membership dues in said labour organization, and I hereby authorize and request you to deduct from my wages and to remit the same to said Local Union monthly dues and initiation fees, if any, or such amount as may hereafter be established by the Union and become due to it, as my membership dues in said Local Union.

This assignment, authorization and request shall become effective at the date the same is delivered to you and will serve as your authority for checking off my membership dues in accordance with the applicable provisions of the main Contract now in effect between your Company and the Union, or of such contract as may subsequently be in effect between said parties.

Signature of Employee Here

(Type or Print Name of Employee

Here)

Address of Employee

Witness:

Payroll Clerk

**ARTICLE XIII
BULLETIN BOARDS**

288

13.01 The Company extends to the Union the privilege of using the existing bulletin boards in the office of the Company, provided, and it is agreed that the use by the Union of such bulletin boards shall be restricted to the posting thereon only of such notices as shall have received the prior approval of the Plant Manager or some person designated by him for that purpose, which approval shall not be unreasonably withheld.

289

The Union agrees that such notices shall be restricted to such items as recreational and social affairs of the Union, and Union meetings, elections, appointments and results of elections. Under no circumstances shall such bulletin boards be used for advertising, for political matters, for distributing pamphlets or circulars or for propaganda of any sort.

**ARTICLE XIV
FURLOUGHS AND LEAVES OF ABSENCE**

290

14.01 A furlough, except as provided herein, shall be understood to mean an absence from work, requested by the employee and consented to by 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, but furloughs shall not be granted to accept other employment of any kind. The Company agrees, as a matter of policy, to grant furloughs for the above-named reasons if it is practical to do so.

291

Requests for Leave of Absence must be made through the department supervisor and, if granted for periods of more than five (5) working days, must be in writing on the regular form provided for such purpose.

292

14.02 Upon written request of an employee who is or seeks to be a candidate for election to any government office, the Company will grant him a leave or leaves of absence not in excess of a total of thirty (30) days in the period prior to the election date for government office for the purpose of campaigning in his own behalf.

293

14.03 For the purpose of enabling an employee to participate in the affairs of government, the Company shall grant, upon written notice from the employee, a leave of absence to such employee who is elected to city, county, provincial and national government positions for the first term or who is appointed to serve unexpired terms of such elective positions or is appointed to full time provincial or federal non-civil service governmental office where such appointment requires legislative approval. Such leaves of absence may be renewed at the option of the Company, upon written request, for successive terms within the period of this

agreement.

294

14.04 Employees shall be granted a Leave of Absence not to exceed a period of twelve (12) months in anticipation of, and for the care of, a newborn child of the employee. It shall be her responsibility to notify the Company when she is ready to return to work during the period of her furlough. When she so advises the Company, she shall be assigned to a position selected by the Management, either to a vacancy or to the work of a shorter service employee, provided her seniority and qualifications are such as to make such an assignment possible. If such assignment is not possible during the period of her furlough her status shall be changed to that of a laid-off employee effective with the expiration date of her furlough and her continuity of service shall be subject to the provisions of Section 7.07 (d). If she has not notified the Company prior to the expiration date of her furlough that she is available for work her continuity of service shall be broken in accordance with the provisions of Section 7.07 (f).

295

14.05 When an employee requests a leave of absence for the purpose of accepting employment of any nature elsewhere, the following rules will govern.

296

(a) Permission will be denied if the employee is working on a schedule of four days or more per week; however,

297

(b) Consideration will be given if the employee is working less than four days per week and if granted shall be classified as a layoff and be subject to all rules and regulations governing laid-off employees.

298

14.06 For the purpose of facilitating the affairs of the National Union and of Local 35, the Company shall grant, upon written request of the Union, extended leaves of absence, without pay, to a number not to exceed two (2) members of Local 35 at any given time. However, this number may be increased by mutual agreement. Such members during such leaves of absence shall retain all seniority and service rights as though employed by the Company. Absences under this provision shall not exceed one year except that such leaves of absence shall upon request be renewed from time to time by the Plant Manager within the period of this Agreement.

299

An employee who holds office with the Local or National Union shall, so long as such office is a full time position, be granted leave of absence by the company.

300

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 National Union representatives shall not receive attendance credits for vacation eligibility

during such absence.

301

14.07 Union grievance committeemen and designated Union officers shall be permitted to leave the plant during working hours at such times as may be necessary for the performance of their duties as such representatives, provided that such absence will not interfere with normal production operations. It is understood that such absent time is not to be paid for by the company and that the standard gate pass shall be obtained from the supervisor before a Union representative shall be permitted to leave the plant.

302

14.08 An employee returning from a furlough or leave of absence as granted under the provisions of Section 14.01 or 14.06 shall be assigned to the position held and to the work performed at the time of the granting of such furlough or leave of absence provided such position and work are currently being performed. If not, the employee will be assigned in accordance with the seniority provisions of Section 7.04.

303

Job postings to fill vacancies created by the granting of a furlough or leave of absence will stipulate that the vacancies are “temporary only”, and on the return of the employee from furlough or leave of absence which created the vacancies, incumbent employees then filling such positions shall, regardless of seniority, be removed from the positions and assigned to other positions in accordance with the seniority provisions of Section 7.04.

304

14.09 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 of 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 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.

ARTICLE XV RIGHT TO AMEND AND SUPPLEMENT

305

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



**ARTICLE XVI
DURATION OF AGREEMENT**

306

16.01 This Agreement shall remain in full force and effect until 11:59 P.M. **March 5, 2000** and thereafter from year to year unless either party shall give notice in writing not less than thirty (30) days in advance of **March 5, 2000** or any anniversary thereof, to the other party of its desire to make changes and of the specific changes desired, or to terminate the same. Unless such notice is given not less than thirty (30) days prior to **March 5, 2000** or an anniversary thereof, this Agreement shall automatically continue in effect until the next anniversary date.

307

IN WITNESS WHEREOF, the parties here to have here unto set their hands and seals the day and year first above written.

FOR THE COMPANY:

L. E. CLEMENT
J. J. KRETE
D. J. SPOONER
K. A. SHERRING
S. J. CURRY

FOR THE UNION:

R. CHARLTON
National Representative
J.R.HIND
O. N. ANDERSEN
P. A. MOFFAT
Negotiating Committee, Local 35, C.A.W.

MEMORANDUM OF AGREEMENT ON OVERTIME

In the negotiations leading to the agreement dated today, the parties discussed at length the subject of overtime schedule worked by some employees covered by this agreement. The parties recognized the office's need for overtime work varies greatly from department to department.

This will confirm our understanding that our department overtime practices may be continued; that is, if an employee requests to be excused from working overtime on any occasion, such request will be granted provided another employee in the same department, who is willing and able to perform the work required to be done in a satisfactory manner agrees to work.

In the case of a dispute between the supervisor and the employee, the matter shall be immediately referred to the Chairperson of the Union and the Manager of Human Resources for finalisation.

Daily Overtime

Daily hours in excess of ten (10) hours worked per shift Monday through Thursday (to a maximum of four (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.

Weekend Overtime

Overtime work on Saturday and Sunday will normally be voluntary. However, it is recognized that, due to availability of equipment, plant facilities and required office personnel, 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 four (4) hours shall be voluntary, except that an employee who has worked in excess of forty (40) hours in the regular work week shall be obligated to work only such weekend overtime hours as are necessary to bring the total hours worked in that work week to forty-four (44) hours.

Concerted Action

Any right to decline an overtime pay assignment may be exercised only by each employee acting separately and individually, without collusion, or agreement with, or the influence of, any other employee or employees of the Union or pursuant to any other concerted action or decision.

No employee shall seek by any means to cause or influence any other employee to decline to work any overtime assignments. No employees may collectively concertedly or in response to the influence of any employee or group of employees or the Union, decline any overtime assignment or fail or refuse to report for an overtime assignment that they have accepted.

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 breakdown of four (4) hours or more, government mandated work, situations of a critical nature which could result in jeopardizing plant and/or office operation, power shortages, strike, fire, tornado, flood or Acts of God, for a period of time necessary to overcome such emergencies.

Inventory

No provision of this Memorandum of Understanding on Overtime shall limit or restrict the right of the Company to require employees to work overtime for two (2) weeks in relation to the overall inventory and, four (4) weeks in relation to the fiscal year end closing as stipulated in the Employment Standard Act of December 20, 1974.

(APPENDIX A, B, AND C)

APPENDIX "A"
MARCH 10, 1997

Grade	Minimum	6 months	12 months	24 months	36 months
1	\$808.81	\$814.36	\$819.86	\$830.86	\$842.37
2	\$811.89	\$818.07	\$824.29	\$836.75	\$850.18
3	\$816.64	\$823.52	\$830.44	\$844.72	\$859.97
4	\$823.49	\$830.73	\$838.06	\$853.88	\$869.88
5	\$834.84	\$842.14	\$849.98	\$865.79	\$881.61
6	\$843.98	\$852.47	\$861.07	\$878.09	\$899.08
7	\$851.85	\$861.31	\$870.80	\$893.46	\$914.14
8	\$863.50	\$873.61	\$883.71	\$908.63	\$931.65
9	\$876.92	\$891.92	\$903.33	\$928.92	\$954.44
10	\$964.88	\$981.94	\$996.86	\$1,026.89	\$1,056.94
11	\$985.84	\$1,002.30	\$1,018.73	\$1,051.58	\$1,084.43
12	\$1,006.23	\$1,023.91	\$1,041.60	\$1,076.99	\$1,112.41
13	\$1,030.21	\$1,048.99	\$1,067.76	\$1,105.29	\$1,142.90

APPENDIX "B"
MARCH 16, 1998

Grade	Minimum	6 months	12 months	24 months	36 months
1	\$824.99	\$830.65	\$836.26	\$847.47	\$859.22
2	\$828.13	\$834.44	\$840.77	\$853.49	\$867.19
3	\$832.97	\$839.99	\$847.05	\$861.61	\$877.17
4	\$839.96	\$847.35	\$854.82	\$870.95	\$887.28
5	\$851.54	\$858.98	\$866.98	\$883.11	\$899.24
6	\$860.86	\$869.52	\$878.29	\$895.65	\$917.06
7	\$868.88	\$878.54	\$888.21	\$911.33	\$932.42
8	\$880.76	\$891.09	\$901.39	\$926.80	\$950.28
9	\$894.46	\$909.76	\$921.39	\$947.50	\$973.53
10	\$984.17	\$1,001.58	\$1,016.80	\$1,047.43	\$1,078.08
11	\$1,005.55	\$1,022.35	\$1,039.11	\$1,072.61	\$1,106.12
12	\$1,026.35	\$1,044.39	\$1,062.43	\$1,098.53	\$1,134.66
13	\$1,050.81	\$1,069.96	\$1,089.12	\$1,127.39	\$1,165.75

APPENDIX "C"
MARCH 15, 1999

Grade	Minimum	6 months	12 months	24 months	36 months
1	\$841.49	\$847.26	\$852.98	\$864.42	\$876.40
2	\$844.69	\$851.12	\$857.59	\$870.56	\$884.53
3	\$849.63	\$856.79	\$863.99	\$878.84	\$894.71
4	\$856.76	\$864.29	\$871.91	\$888.37	\$905.02
5	\$868.57	\$876.16	\$884.32	\$900.77	\$917.23
6	\$878.08	\$886.91	\$895.85	\$913.57	\$935.41
7	\$886.26	\$896.11	\$905.98	\$929.56	\$951.07
8	\$898.38	\$908.91	\$919.41	\$945.34	\$969.29
9	\$912.35	\$927.96	\$939.82	\$966.45	\$993.00
10	\$1,003.86	\$1,021.61	\$1,037.14	\$1,068.38	\$1,099.64
11	\$1,025.66	\$1,042.79	\$1,059.89	\$1,094.06	\$1,128.24
12	\$1,046.88	\$1,065.28	\$1,083.68	\$1,120.50	\$1,157.35
13	\$1,071.83	\$1,091.36	\$1,110.90	\$1,149.94	\$1,189.07

APPENDIX "D"
SALARIED CLASSIFICATIONS

INDEX

Alphabetical Classification	Job No. Grade
Accounting Clerk.....	.050 - 007
Assembly Scheduling Clerk.....	010 - 007
Buyer I.....	620 - 011
Compliance Coordinator.....	035 - 011
Console Operator.....	.040 - 008
Coordinator General Accounting.....	.630 - 013
Cost Accountant.....	045 - 009
Customs Clerk I.....	185 - 010
Data Services Coordinator I.....	.640 - 012
Data Services Coordinator II.....	.645 - 010
Financial Accountant I.....	.055 - 012
Financial Accountant II.....	060 - 010
Financial Accountant III.....	.075 - 009
Fleet and Pilot Coordinator.....	677 - 012
General Accounting and Payroll Clerk.....	.065 - 008
General Accounting Coordinator/Cashier.....	.720 - 012
Material Scheduler/Expediter Coordinator.....	136 - 010
N.I.O. Communications Coordinator.....	.200 - 008
New Program Materials Coordinator.....	.115 - 010
Office Chairperson.....	005 - 013
Office Services Clerk.....	145 - 005
Order Processing Analyst.....	155 - 009
Paint Technician.....	160 - 010
Payroll Clerk.....	410 - 007
Plant Equipment Designer I.....	730 - 013
Principal Buyer.....	.615 - 012
Principal Materials Scheduler/Expediter.....	210 - 009
Principal Motor Truck Distribution Clerk.....	215 - 010
Principal Payroll Clerk.....	.176 - 010
Principal Production Change Clerk.....	.220 - 009
Principal Specification Record Compiler.....	.250 - 009
Principal Stock Status Investigator.....	.255 - 010
Principal Traffic Control Clerk.....	260 - 011
Process Planner I.....	.015 - 012
Process Planner II.....	020 - 010
Product Designer I.....	125 - 012
Product Designer II.....	130 - 010
Product Designer III.....	.080 - 008

APPENDIX "D"
SALARIED CLASSIFICATIONS

INDEX

Alphabetical Classification	Job No. Grade
Product Designer/Trainer.....	.268 - 013
Production Coordinator.....	.290 - 009
Purchasing Material Analyst.....	.312 - 010
Quality Control Planner.....	810 - 013
Reward Clerk I.....	245 - 008
Reward Clerk II.....	.241 - 007
Secretary-Stenographer.....	.340 - 006
Specification Interpreter.....	.360 - 008
Specification Record Compiler I.....	.365 - 007
Stock Status Investigator.....	.385 - 007
Stock Status Investigator/Reward.....	.386 - 007
Supplier Development Engineer.....	.387 - 013
Supplier Quality Analyst.....	.891 - 012
Systems and Data Services Analyst.....	.860 - 012
Tool Coordinator I.....	885 - 013
Tool Coordinator II.....	895 - 009
Traffic Control Clerk.....	425 - 008
WHMIS & Insurance Tracking Coordinator.....	915 - 009

SCHEDULE OF BENEFITS

Weekly Earnings	Weekly Disability Benefits	Monthly LTD Schedule I	Benefits Schedule II	Group Term Life Insurance	A.D.&D. (Principal Sum)	Total & Permanent Disability
\$796.00 but less than \$810.00	\$480.00	\$1,740.00	\$1,915.00	\$46,000.00	\$23,000.00	\$920.00
\$810.00 but less than \$824.00	\$490.00	\$1,770.00	\$1,945.00	\$46,500.00	\$23,250.00	\$930.00
\$824.00 but less than \$838.00	\$500.00	\$1,800.00	\$1,980.00	\$47,500.00	\$23,750.00	\$950.00
\$838.00 but less than \$852.00	\$505.00	\$1,830.00	\$2,015.00	\$48,500.00	\$24,250.00	\$970.00
\$852.00 but less than \$866.00	\$515.00	\$1,860.00	\$2,045.00	\$49,000.00	\$24,500.00	\$980.00
\$866.00 but less than \$880.00	\$525.00	\$1,890.00	\$2,080.00	\$50,000.00	\$25,000.00	\$1,000.00
\$880.00 but less than \$894.00	\$530.00	\$1,920.00	\$2,115.00	\$50,500.00	\$25,250.00	\$1,010.00
\$894.00 but less than \$908.00	\$540.00	\$1,950.00	\$2,145.00	\$51,500.00	\$25,750.00	\$1,030.00
\$908.00 but less than \$920.00	\$550.00	\$1,985.00	\$2,180.00	\$52,500.00	\$26,250.00	\$1,050.00
\$920.00 but less than \$936.00	\$555.00	\$2,015.00	\$2,215.00	\$53,000.00	\$26,500.00	\$1,060.00
\$936.00 but less than \$950.00	\$565.00	\$2,045.00	\$2,245.00	\$54,000.00	\$27,000.00	\$1,080.00
\$950.00 but less than \$964.00	\$575.00	\$2,075.00	\$2,280.00	\$54,500.00	\$27,250.00	\$1,090.00
\$964.00 but less than \$978.00	\$585.00	\$2,105.00	\$2,315.00	\$55,500.00	\$27,750.00	\$1,100.00
\$978.00 but less than \$992.00	\$590.00	\$2,135.00	\$2,350.00	\$56,500.00	\$28,250.00	\$1,130.00
\$992.00 but less than \$1,006.00	\$600.00	\$2,165.00	\$2,380.00	\$57,000.00	\$28,500.00	\$1,140.00
\$1,006.00 but less than \$1,020.00	\$610.00	\$2,195.00	\$2,415.00	\$58,000.00	\$29,000.00	\$1,160.00
\$1,020.00 but less than \$1,034.00	\$615.00	\$2,225.00	\$2,450.00	\$58,500.00	\$29,250.00	\$1,160.00
\$1,034.00 but less than \$1,048.00	\$625.00	\$2,255.00	\$2,480.00	\$59,500.00	\$29,750.00	\$1,190.00
\$1,048.00 but less than \$1,062.00	\$635.00	\$2,285.00	\$2,515.00	\$60,500.00	\$30,250.00	\$1,210.00
\$1,062.00 but less than \$1,076.00	\$640.00	\$2,315.00	\$2,550.00	\$61,000.00	\$30,500.00	\$1,220.00
\$1,076.00 but less than \$1,090.00	\$650.00	\$2,345.00	\$2,580.00	\$62,000.00	\$31,000.00	\$1,240.00
\$1,090.00 but less than \$1,104.00	\$660.00	\$2,375.00	\$2,615.00	\$62,500.00	\$31,250.00	\$1,250.00
\$1,104.00 but less than \$1,118.00	\$665.00	\$2,405.00	\$2,650.00	\$63,500.00	\$31,750.00	\$1,270.00
\$1,118.00 but less than \$1,132.00	\$675.00	\$2,440.00	\$2,680.00	\$64,500.00	\$32,250.00	\$1,290.00
\$1,132.00 but less than \$1,146.00	\$685.00	\$2,470.00	\$2,715.00	\$65,000.00	\$32,500.00	\$1,300.00
\$1,146.00 but less than \$1,160.00	\$690.00	\$2,500.00	\$2,750.00	\$66,000.00	\$33,000.00	\$1,320.00
\$1,160.00 but less than \$1,174.00	\$700.00	\$2,530.00	\$2,780.00	\$67,000.00	\$33,500.00	\$1,340.00
\$1,174.00 but less than \$1,188.00	\$710.00	\$2,560.00	\$2,815.00	\$67,500.00	\$33,750.00	\$1,350.00
\$1,188.00 but less than \$1,202.00	\$715.00	\$2,590.00	\$2,850.00	\$68,500.00	\$34,250.00	\$1,370.00
\$1,202.00 but less than \$1,216.00	\$725.00	\$2,620.00	\$2,880.00	\$69,000.00	\$34,500.00	\$1,380.00
\$1,216.00 but less than \$1,230.00	\$735.00	\$2,650.00	\$2,915.00	\$70,000.00	\$35,000.00	\$1,400.00
\$1,230.00 but less than \$1,244.00	\$745.00	\$2,680.00	\$2,950.00	\$71,000.00	\$35,500.00	\$1,420.00
\$1,244 and over	\$750.00	\$2,710.00	\$2,980.00	\$71,500.00	\$35,750.00	\$1,430.00

LETTER LIST

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2. **“POOLS” in the Office**
3. Advance Technology
4. Duty of Accommodation
5. Employee Training
6. Parking for Local 35
7. Human Rights
8. Confinement in Jail
9. Job Eligibility Tests (Revised)
10. Vacation Scheduling - Material Control Department
11. Bereavement Policy Re: Vacations and Vacation Shutdowns
12. Tuition Refund Plan
- 13(a). Salary Continuation
- 13(b). Casual Absence
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16. Mutual Respect and Acceptance
17. Temporary Assignments
18. Travel Expenses
19. Outside Business Consultants
20. Recouping of Wage Overpayments
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28. Placement of Disabled Employees without a Company Doctor on Staff
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33. Overtime for **Traveling**
34. Stenographers’ Minutes
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37. Temporary Shutdowns
38. Mandatory Drug Testing
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43. Social Justice Fund
44. Paint Technician Classification

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84. **Health & Safety and Ergonomics Representatives**
85. **“Progressive” Job Reductions**
86. **Local 35 Participation in the Six Sigma Program**
87. **Overtime Limits**
88. **Office Support for Saturday Production Overtime**

**Navistar International
Corporation Canada**

Letter No. 1

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: LOCAL 35 CONTRACT NEGOTIATIONS

During the 1997 Local 35 Office Negotiations, the Company, in the interests of efficiency and cost savings, requested that future Local 35 negotiations be conducted simultaneously with the Local 127 Plant negotiations.

Agreement was reached whereby the parties will conduct the negotiation of both the Local 35 and 127 collective agreements at the same time in 1999. However, it is understood that the effective date of the next Local 35 Collective Agreement will not become effective until conclusion of the current agreement, that is, March 6, 2000.

Yours very truly

**J. J. Krete
Manager,
Human Resource**

**Navistar International
Corporation Canada**

Letter No. 2

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: "POOLS" IN THE OFFICE

During the 1996 negotiations between Navistar and the C.A.W. Local 127 hourly unit, agreement was reached between the parties to re- arrange individual man-assignments into a "Pooled" concept. During the 1997 negotiations between Navistar and the C.A.W. Local 35, Office Unit, the parties discussed the concept and the possibility of applying it in the office environment.

Both Parties agreed that should a viable application become apparent at some time in the future, the parties will seriously study the application, with the intention of implementation.

Yours very truly

**J. J. Krete
Manager**

Human Resources

**Navistar international
Corporation Canada**

Letter No. 3

January 19, 1981
Reissued: August 1, 1983
Reissued: March 1, 1991

Mr. J. R. Hind
Chairperson
Local 35 CAW,
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: ADVANCE TECHNOLOGY

It is recognized that continuing improvement in the standard of living of Navistar employees depends upon technological progress, better tools, methods, processes and equipment and a co-operative 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 C.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 C.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 35 bargaining unit.

It is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of C.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 35 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 35 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 a new or advanced technology at the Chatham Plant may cause a shift of work from the Local 35 bargaining unit to other employees, affect the job responsibilities of Local 35 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 a 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 35 represented employees at the Chatham Plant. The active employee(s) who perform that same job will be trained at Company expense. 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 35 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 National Union.
4. 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 35 bargaining unit. The Committee will also review specific matters concerning advancing technology that may be referred to it by Local 35 or Plant management after discussions as set forth in the preceding paragraph have been completed.

In the event either the Company or National 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 the Grievance Procedure.

As a general statement to assist in the resolution of disputes over the allocation of work to Local 35 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. J. Krete
Manager,
Human Resources

**Navistar International
Corporation Canada**

Letter No. 4

Feb. 7, 1991

Mr. J. R. Hind
Chairperson
Local 35 C. A. W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

Subject: DUTY OF ACCOMMODATION

During the 1991 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 their specific needs.

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

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 5

April 4, 1988
Reissued: March 1, 1991

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

EMPLOYEE TRAINING

During the 1988 negotiations, the Union expressed concern in regards to the thoroughness of training provided employees during application of Section VII of the Collective Agreement. Both parties agree that employee training is a key element required to achieve our common goal, that of customer satisfaction.

As resolution to this concern the Company agrees that when the outgoing incumbent does the training the area Principal, or a more senior knowledgeable area employee or, the area Supervisor will periodically monitor the training to ensure thoroughness.

If, as a result of such auditing, the quality of training is of concern, the matter will be referred to the area Manager for review and resolution.

During the 1991 Negotiations, the Company and Union have agreed to set up a training committee consisting of two (2) Union representatives and two (2) Company representatives. The purpose of the committee would be to make recommendations regarding future training requirements.

Yours very truly,

J. J. Krete
Manager,
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 6

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

SUBJECT: PARKING FOR LOCAL 35

Dear Mr. Hind:

During the 1994 negotiations the Union and the Company agreed that the "West Office" parking lot will be designated as only available for Local 35 employees.

This agreement is made with the understanding that the lot also contains some reserved parking for employees who are temporarily or permanently disabled. The number of disabled spots will vary according to the need.

This agreement will be in effect as long as this "West Office" lot is available for employee parking purposes.

Yours truly,

J. J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 7

Revised August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: HUMAN RIGHTS

The International Harvester Company and the United Automobile Workers of America have a well recognized tradition in support of Human Rights. During these Negotiations, our mutual posture on commitments not to discriminate because of race, colour, sex, age, handicap, political or religious affiliations, national origin and ancestry were discussed and reaffirmed.

Further in this regard, recognition was given to the importance of increased communication and co-operative effort to encourage employees and grievance representatives to achieve prompt resolution of claims of denial of Human Rights.

In this regard, a joint Human Rights Procedure has been established to develop an increased understanding of the issues, seek solutions to mutual problems, avoid external involvement in areas of mutual concern and to exchange information, expertise and advice.

The intent of these understandings is to maximize adherence to the concept of Human Rights in all aspects of employment and to emphasize the contractual grievance procedure for relief of alleged violations of this principle.

Yours very truly

J. O. Vanest
Manager,
Human Resources

JOV/ad

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 8

Agreement: May 20, 1980
Reprint: January 12, 1981
Reissued: August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW
Chatham Plant

Dear Mrs. Innes:

SUBJECT: ABSENCE DUE TO CONFINEMENT IN JAIL

During the current labor agreement negotiations the Union requested that the Company policy on absence due to confinement in jail be included in the Letters 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

/sh

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

May 20, 1980

**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 responsibilities 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 offenses 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 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.

II. 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 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 is terminated as an automatic quit, and he can be reinstated only if he admits satisfactory evidence that conditions beyond his control prevented him or someone on his 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

If he is found not guilty, he shall be permitted to return to work and will resume his employment status.

If he is found guilty (even though he 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 becomes undesirable, he should be discharged immediately. If the offense does not necessarily make the employee undesirable, his suspended status shall be extended to cover the period of his actual confinement. Such employee must make himself available for work as soon as possible but not later than five (5) working days after his suspended status is terminated, or be discharged; but, in any case, if his absence from work exceeds a period of six (6) months, from the last day worked, he 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 has complied with the reporting requirements, he shall be returned to work unless the offense with which he is charged is of such a nature that it is determined that his 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 shall be considered as having a suspended employment status until a final disposition is made of the case.

**Navistar International
Corporation Canada**

Letter 9

February 20, 1985
Revised: April 4, 1988
Revised: March 10, 1997

Mr. J. R. Hind
Chairperson
Local 35 CAW, Navistar Unit
Chatham Plant

Dear **Mr. Hind**

SUBJECT: JOB ELIGIBILITY TESTS

During the 1997 negotiations, the Company and Union discussed the use of eligibility tests. These kinds of tests can be applied in the following circumstances:

- 1) Where there is a dispute as to an employee's ability to perform a job during a "reduction of force" per article 7.05.**
- 2) When there is a dispute as to an employee's ability to perform a job during an "increase in force" per article 7.16 (f)**
- 3) Where the Job Review Committee agrees to make an eligibility test a job "requirement" per article 10.03 (vii).**

Where required the Job Review Committee will develop an appropriate test with input from the area supervisor and a Local 35 member selected by the Union. The test will:

- . be mutually agreed to.**
- have a specific time for which to be completed.**
- have an agreed upon passing mark.**
- be supervised and marked jointly by a Company and Union Representative.**
- be used as the resolution to the dispute.**

Yours very truly,

J. J. Krete
Manager,
Human Resources

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CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 10

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Chatham Plant

SUBJECT: VACATION SCHEDULING - MATERIALS CONTROL DEPT.

Dear Mr. Hind:

During the 1994 negotiations the Union and the Company discussed the issue of vacation scheduling in the Materials Control Department for the classification of Principal Materials Scheduler/Expediter (210-009). As a result of these discussions the following agreement overrides Article 9.01(d) of the collective agreement for this situation only.

Not more than fifteen percent (15%) of the employees in this classification will be allowed off at any one time with full weeks of vacation.

Prior to January 31 of each year the Company will post the estimated number of Principal Materials Scheduler/Expediters required to work during the annual vacation shutdown(s). All employee vacation requests must be submitted no later than February 28th, indicating the employees first, second and third choices. Vacations requested after February 28th will be scheduled on a first come-first serve basis, and those scheduled before this date will be scheduled based on seniority. Such schedules shall be posted by March 15.

If employees are needed for the annual vacation shutdown(s) those employees with no vacation entitlement or with vacation entitlement covering less than the duration of the shutdown(s) will be required to work. If additional employees are required, senior employees will be allowed to volunteer before forcing junior employees to work. Only employees who are capable of doing the work without training will work during the annual vacation shutdown(s).

Yours truly,

J. J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 11

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Chatham Plant

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

Dear Mr. Hind:

During the 1994 negotiations the Union and the Company agreed to the following regarding bereavement entitlements during weeks of vacation, annual vacation shutdown or Christmas Holidays.

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 of Bereavement Leave:

The employee will be entitled to the unused balance of the Bereavement Leave after the vacation or 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) 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 three days of paid bereavement leave directly after the scheduled vacation, or
- schedule three mutually agreeable days of bereavement at a later date.

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

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 bereavement leave immediately after the vacation period for a maximum of three (3) working days.

* If the death occurs during the vacation shutdown, but the funeral takes place after the shutdown, the employee is entitled to Bereavement Leave immediately after the vacation period, up to, and including the day of the funeral, to a maximum of three (3) working days.

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 one (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 day of bereavement 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.

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.

*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 recorded as a “no report”.

Yours truly,

J. J. Krete
Manager
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 12

January 24, 1978
Reprint: January 12, 1981
Reissued: August 1, 1983
Revised: March 10, 1997

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

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 associations and all intramural and extension courses 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 or her current job; or
- (B) They are a part of a curriculum leading to a degree in a field 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 or she might reasonably 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 1997 contract negotiations, the Company agreed to include courses 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 courses 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 expenses are met by scholarships, governmental 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 responsible for local administration of the plan will be responsible for;

(A) The recording of additional education in the employee's personal file.

(B) The submission of the Annual Tuition Refund Plan Report for 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, etc., conducted by educational institutions, the above voluntary refund plan does not apply. In such cases, the Company will reimburse for business expenses incurred, including reasonable travel 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 the policy may be made only upon the prior approval of the Director, Human Resources.

January 21, 1980.

**Navistar International
Corporation Canada**

Letter No. 13(a)

Revised: March 8, 1991

Mr. J. R. Hind
Chairperson
Local 35 CAW,
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: SALARY CONTINUATION DURING ABSENCE FROM WORK

Set out here is an updating of the rules for payment of salary continuation for salaried employees absent from work for extended periods due to a physical disability. Affected employees will receive their base salary, plus shift bonus, less benefits provided under the Group Sickness and Accident Insurance Plan in accordance with the following schedule:

Employment Service	Period of Salary Continuation Less G.S.A. Benefits
Less than 2 months	None
2 months but less than 1 year	1 Week
1 year but less than 2 years	2 Weeks
2 years but less than 3 years	3 Weeks
3 years but less than 4 years	4 Weeks
4 years but less than 5 years	5 Weeks
5 years but less than 10 years	6 Weeks
10 years but less than 15 years	11 Weeks
15 years but less than 25 years	16 Weeks
25 years and over	26 Weeks

Employees will only be eligible for the maximum period of salary continuation for extended absence (over five (5) days) once in any 12 month period.

Yours very truly,

J. J. Krete
Manager,
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 13(b)

March 8, 1991

Revised: March 10, 1997

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

Subject: CASUAL ABSENCE

Absences of a casual nature (five (5) days or less) due to legitimate sickness, injury or extreme emergency, will continue to be paid at full salary to those employees who have qualified for a vacation (two (2) months service). Absence with pay for these reasons will be generally limited to a total of **thirty hours and 30 minutes (30.5 hours)** in any one (1) year.

Emergency situations will be considered to include the following:

- To attend to urgent legal matters.
- Emergent medical or dental appointments.
- Sickness in the family where arrangements must be made for the care of children.
- Other conditions of a like nature to the above.

Notification, not later than the day prior, is expected to be given by the employee to their supervisor of the impending necessary absence and the associated reason. Where extreme emergencies prevent prior notification, consideration will be given to each individual case. Normal medical and dental appointments should be arranged for outside working hours and, if not possible, in a manner to provide minimal conflict with the scheduled working day.

Casual absence will be calculated in increments of 1/10th of an hour.

During the 1991 negotiations, the Company advised the Union that it would adhere to the content of the letter as stated, versus how it was applied in the past.

Yours very truly,

J. J. Krete
Manager,
Human Resources

**Navistar International
Corporation Canada**

Letter No. 14

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: LEGAL SERVICES PLAN

This is to confirm that contributions by the Company to Legal Services Plans are made to separate plans, one for each Local being 127 and 35.

D. J. Spooner

**Navistar International
Corporation Canada**

Letter No. 15

March 1, 1991

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

Subject: COLA CALCULATIONS

During the 1991 negotiations it was agreed by the Company and the Union that the May 1, 1991 Cost-of-living calculation be done under the formula in use in the 1988 Contract.

It was also agreed that beginning with the August 1, 1991 calculation of the Cost-of-Living Allowance pursuant to Article 10.02 (b), the parties shall calculate the monthly Consumer Price Index beginning with the month of April 1991, using the Consumer Price Index (1986 = 100) for April 1991, published (in May 1991) by Statistics Canada and each month thereafter during the term of this agreement through the Index for March 1994, with one cent (\$.01) adjustment for each .073 change in the Average Index.

In applying the provisions of Article 10.02(b) of the new Collective Agreement, 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 appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with Section 10.02(c) of the Collective Agreement.

Yours truly

J. J. Krete
Manager,
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 16

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

January 19, 1981
Reissued: August 1, 1983

Dear Mrs. Innes:

SUBJECT: MUTUAL RESPECT AND ACCEPTANCE

During the 1981 Chatham Plant contract negotiations, the Company and Local 35 of the UAW discussed 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 relationship with the Union and the employees it 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 clerical and technical 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 operation as described in the preceding paragraph of the desirability of 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 at our Chatham Plant represented by Local 35 employees. 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 technical and clerical jobs at that facility.

Yours very truly,

J. O. Vanest
Manager, Human Resources

JOV/sh

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 17

January 19, 1981
Reissued: August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: TEMPORARY ASSIGNMENTS

During the 1981 Contract Negotiations, the subject of temporarily assigning Local 35 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 Office Chairperson.

Yours very truly,

J. O. Vanest
Manager
Human Resources

JOV/sh

**Navistar International
Corporation Canada**

Letter No. 18

March 1, 1991

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: TRAVEL EXPENSES

During the 1991 Contract Negotiations, the Company and Union discussed the issue of paying expenses for travel while employees are on Company business,

The Company agrees to book transportation (planes, train and company or rental cars) and hotels for travelers where appropriate. Additionally, Local 35 employees will be allowed a \$45.00 Canadian per diem for food and personal costs for travel in Canada or countries other than 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 to 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 days or part thereof of travel. One person in the traveling group will also have an advance to cover expected local transportation to/from airports and/or hotels and place of business. All other local transportation being the 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 with any unused advance 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

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 19

January 21, 1981
Reissued: August 1, 1988

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: OUTSIDE BUSINESS CONSULTANTS

During our 1981 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 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 the 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.

Yours very truly,

J. O. Vanest
Manager
Human Resources

JOV/sh

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 20

January 21, 1981
Reissued: August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: RECOUPING OF WAGE OVERPAYMENT

In the past, the Pay 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 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/sh

**Navistar International
Corporation Canada**

Letter No. 21

February 14, 1991

J. R. Hind
Chairperson
Local 35 C.A.W
Navistar Unit
Chatham Plant

Dear Mr. Hind:

RE: JOINT DISABILITY REHABILITATION REVIEW COMMITTEE

During the 1991 negotiations the Company and the Union agreed to establish a "Disability Rehabilitation Review Committee".

The committee members will consist of one Company Representative, one Union Representative, and a Medical Doctor who will be appointed after being mutually agreed to by the Company and the Union.

The purpose of this committee will be to review employees who are either eligible to receive, or, are receiving, Long Term Disability Benefits, and, determine the appropriateness of sending them for professional Third Party Rehabilitation Assessment.

The factors which will determine if an employee is an appropriate candidate for rehabilitation will include for example: age, previous education, disability limitations, and other recognized criteria necessary for successful rehabilitation.

If the Company and Union members of the Committee are unable to reach an agreement concerning the appropriateness of having a particular employee assessed, the Medical Doctor will make the final determination. Should an employee refuse to attend the Rehabilitation Assessment, his/her Long Term Disability Benefits will be suspended.

When the assessment report is completed, it will be reviewed by the Committee and the employee to determine the next course of action. The intent of a successful Rehabilitation Assessment, is to offer an opportunity to the employee to continue L. T. D. benefits, and, obtain at Company expense, training which would promote the employee's reintegration to the workplace, which may or may not be Navistar.

Long Term Disability Benefits will not be suspended if an employee decides not to proceed with the Rehabilitation Program.

Yours very truly,

J. J. Krete
Manager,
Human Resources

**Navistar International
Corporation Canada**

Letter No. 22

(June 2, 1980)

Revised: March 1, 1991

Mr. J. Hind
Chatham Plant

**GRIEVANCE PROCEDURE RE:
SUPPLEMENTAL ALLOWANCE**

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 one 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.

During the 1991 negotiations the Company and Union agreed that Letter 21 of the 1988 agreement be removed and incorporated into this letter, thereby stating that this letter, originally to Mr. J. Vanest from J. R. Marchant on June 2, 1980, would apply to Local 35 Unit.

Yours very truly,

J.J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 23

January 21, 1981
Reissued: August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: INVESTIGATIVE INFORMATION

During the 1981 Contract negotiations, the Company agreed that it would continue its past practice of supplying information to Union Committeemen 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

JOV/sh

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 24

January 21, 1981
Reissued: August 1, 1983
Revised: March 10, 1997

**Mr. J. Hind,
Chairperson,
Local 35 CAW,
Navistar Unit,**

Dear Mrs. Hind:

**SUBJECT: QUESTIONNAIRES
(INDIRECT LABOR STUDIES)**

During the 1981 Contract negotiations **there was agreement that** all questionnaires concerning the work content of a salaried employee will be directed to the management of the area **rather than directed to** the employees.

During the 1997 Contract negotiations the above paragraph was discussed in light of a current competitive environment that is now more intense and volatile than at any other time in Navistar's history. The parties agreed trust and cooperation is essential if the Chatham Truck Assembly Plant is to continue to be a major player in the manufacturing of trucks.

In addition, the local management and Union also recognize no one knows as much about a job as the person doing it every day, For these reasons, both parties agreed it is in everyone's best interest to remove barriers to employee input whenever possible. Consequently, the parties hereby agree to discontinue the limitation outlined in the first paragraph of this letter.

Yours very truly,

**L. E. Clement
Plant Manager**

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 25

January 27, 1981
Reissued: August 1, 1983

Mr. L. Rustin
UAW International Representative
220 St. Clair Street
Chatham, Ontario
N7L 3J7

Dear Mr. Rustin

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 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 operation which he is qualified to perform.

Notice of designation of scholarship recipients must be provided the Company not 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 (1) calendar year.

Yours very truly,

J. O. Vanest
Manager
Human Resources

JOV/dil

**Navistar International
Corporation Canada**

Letter No. 26

January 26, 1981
Revised: April 4, 1988
Revised: March 7, 1994

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SHIFT PREFERENCE

Following is an outline of the Agreement with Local 35, regarding the introduction and application of shift preference.

1. The official changeover was effective September 1, 1978.
2. Seniority, in regard to shift assignment, would be applied so that the senior person in the department and in the same classification would have his/her shift preference subject to the following limitations:
 - a) Employees who request a shift change must remain on the new shift for a minimum of thirty (30) days.
 - b) Should an employee exercise their seniority for a shift change, the employee who is displaced must receive a minimum of five (5) days notice before such shift change occurs and all such shift changes shall be effective on a Monday only.
 - c) Employees cannot exercise their seniority for a shift change more than three (3) times in any twelve (12) month period.
3. Shift preference changes must be made at least five (5) weeks prior to the annual vacation shutdown and Christmas shutdown periods.
4. In applying the qualification provision as outlined in Section 6.01, if due to seniority, a junior employee was scheduled for permanent second or third shift, the assignment would not be made until such time that the junior employee had received at least two

(2) week's training on his/her position if the position grade was up to and including Grade six (6). In the case of positions in Grade seven (7) or over, the requirement would be up to two (2) months' experience. (An extension of the time limits could be made by mutual agreement between the Company and the Union.)

5. During periods where, for reasons such as training, vacation shutdown or replacement and extended disability, an employee is required to work a particular shift, the staffing of the remaining shifts would be made in line with seniority.
6. If, in any department, the employees voluntarily elect shift rotation and are prepared to work in rotation, this would be allowed.
7. Any abuses of the shift preference option by any employee would be discussed between all parties concerned.

Yours very truly,

J.J. Krete
Manager,
Human Resources

/jv

**Navistar International
Corporation Canada**

Letter No. 27

January 28, 1981
Reissued: August 1, 1983
Revised: March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35 CAW, Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: PLACEMENT OF DISABLED EMPLOYEES

During the 1994 Contract Negotiations, the Company and the Union discussed the placement of disabled employees. The parties are committed to support the return of disabled employees into the workplace, and to ensure that they are treated with respect and dignity at all times. The Parties also commit to adhere to the "duty of accommodation" requirements of the Human Rights Code when placing disabled employees. Disabled employees will be assigned to any existing vacancy deemed to be suitable, providing the employee is capable of satisfactorily performing such work and his/her seniority enables the employee to such assignment.

If such vacancy does not exist, he/she will be assigned to work being done by a shorter service employee within the unit whose job he/she is capable of performing. Once placed, the employee will maintain a preferred seniority **status on** such position over a more senior employee, subsequently going through the same **job** placement procedure.

NOTE: An employee must be capable "of performing or fulfilling the essential duties or requirements" of a job opening in the application of the above. This is consistent with the "duty of accommodation" requirements of the Ontario Human rights Code.

Yours very truly,

J. J. Krete
Manager
Human Resources
/jv

**Navistar International
Corporation Canada**

Letter No. 28

August 4, 1988

Revised: March 7, 1994

Mr. J. R. Hind
Office Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

**PLACEMENT OF DISABLED EMPLOYEES WITHOUT A COMPANY DOCTOR
ON STAFF**

During the 1994 negotiations, the Company and Union agreed to implement the following procedure for the placement of disabled Local 35 employees. In this circumstance, all provisions of Letter No. 27 will apply with the following exceptions:

1. The employee's family physician (or attending M.D. specialist when applicable) will submit appropriate written documentation clearly outlining the nature of the permanent work restrictions to be applied to the employee. Should the Company have reason to question these new or revised restrictions, or should the restrictions not be clear, it will contact the employee's physician or M. D. specialist to discuss the matter. The Company will only challenge the restrictions through the use of a physician or M. D. specialist.
2. A Company representative and a representative appointed by the Union will jointly attempt to place the subject employees per the seniority provisions outlined in Letter 27.

In reference to items 1. and 2. above, medical disputes between a physician or M. D. specialist representing the Company and the employee's family physician or attending M.D. specialist will be resolved by the use of a mutually agreed upon third party M.D. specialist independent medical examination whose decision will be final and binding on both parties. When appropriate, the parties will forward an agreed-upon statement of facts to the independent specialist prior to the examination.

Reasonable expenses incurred by the employee as well as the cost of the medical examination will be shared equally by the Company and the Union when the dispute is related to Item 2 above.

In addition to the above, should the Company add a physician on staff, or retain the services of an outside physician in the future, the parties may continue the use of this procedure by mutual consent.

Yours very truly,

J. J. Krete
Manager,
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 29

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: C. P. R. , HUMAN RIGHTS, AND ERGONOMICS TRAINING

During the 1997 negotiations, the Company agreed to provide C. P. R. training course for all Office Union representatives. This training may occur during regular or overtime hours, at Company expense.

The importance of ergonomic training was also 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

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**Navistar International
Corporation Canada**

Letter No. 30

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: EQUITABLE DISTRIBUTION OF OVERTIME

The following procedure is intended to help clarify the Collective Agreement in relation to the equitable distribution of overtime, and is not intended to disable other overtime provisions.

If an employee would normally have been entitled to work overtime but is absent on the day the overtime is worked, he/she will be credited with the overtime hours as though he/she refused to work the overtime.

Employees transferring into a classification where there is more than one normal operator will be credited with the average number of overtime hours credited to employees in that classification, providing all individuals in the classification perform similar functions.

The intent of this understanding, is to exclude the hours of an employee from the calculation who has worked an excessive amount of overtime as a result of being on a special assignment, etc.

Yours very truly,

**J. J. Krete
Manager,**

Human Resources

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**Navistar international
Corporation Canada**

Letter No. 31

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: PENSION CALCULATIONS

During the 1997 contract negotiations the Company and Union discussed the amount of time required to produce pension calculations.

It was agreed that the Company will attempt to reduce the turnaround time required to produce the calculation and the forms.

Any employee who desires to retire must make written application to Company stating the date that the proposed retirement is to be effective. The application shall be made not less than 30 days in advance of such date.

Yours very truly

**Bruce Dobie
Manager Human Resources**

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

INTERNATIONAL HARVESTER

CANADA

Letter No. 32

February 25, 1985

Mrs. A. J. Innes
Chairperson
UAW, Local 35
Harvester Unit

Dear Mrs. Innes:

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

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

Yours very truly,

J.J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 33

February 25, 1985

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: OVERTIME FOR TRAVELING

During the 1985 Contract Negotiations, the Company and the Union discussed the issue of paying overtime for travel outside the normal shift schedule of hours to conduct Company business.

The Company agrees to consider travel time as "time worked" and therefore will pay overtime under the following conditions:

1. Only Local 35 employees working in Chatham at the Chatham Plant on a full-time basis will be eligible for overtime due to traveling.
2. The planned itinerary must be approved prior to departure by the employee's Department Manager.
3. Overtime will be authorized to be paid only after eight (8) hours worked on normal work days. "Time worked" will start at the time the employee leaves the Plant, or his home if departure is earlier than the employee's normal shift schedule. "Time worked" will start at the time the Company business at a remote location is scheduled to begin if travel was on the previous day.

For example, if an employee traveled for five (5) hours on a Sunday evening to arrive at a remote location for a Company business meeting scheduled to begin at 10:00 a.m. the following day, the employee would be eligible for five (5) hours pay at double time, and his eight (8) hour shift the following day would be considered to start at 10:00 a.m., even though his normal starting time may have been 8:00 a.m.

4. Overtime will be authorized to be paid for all travel time on Saturdays, Sundays and designated holidays.

5. Reasonable and normal travel time, excluding mealtime, on a portal-to-portal basis will be considered as "time worked".
6. Should the Department Manager and the employee agree to have the employee drive directly home rather than return to the Plant at the completion of business at a remote location, or if an employee leaves home instead of the Plant to drive directly to the remote location, the travel time to be used in computing "time worked" will be the lesser of the time between home and the remote location or the Plant and the remote location.
7. These provisions will not apply to employees traveling to or from training sessions, training seminars educational programs, product or facility shows, or anything of a like nature during the normal work week.

Yours very truly,

J. J. Krete
Manager
Human Resources

JJK/ad

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 34

August 1, 1983

Mr. L. Rustin
U.A.W. International Representative
220 St. Clair Street
Chatham, Ontario
N7L 3J7

Dear Mr. Rustin:

SUBJECT: STENOGRAPHERS MINUTES

This will confirm the understanding reached in the 1983 Contract Negotiations. When a stenographer records minutes during a meeting under the Grievance Procedure of the Local 35 Collective Agreement, those stenographer's minutes would not be submitted as evidence in an Arbitration Hearing.

Yours very truly,
J. O. Vanest
Manager

JOV/ad

Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 35

Mr. J. R. Hind
Chairperson
Local 35, C.A.W., Navistar Unit
Chatham Plant

August 1, 1983
Revised: April 4, 1988
Revised: March 7, 1994

Dear Mr. Hind:

EMPLOYEE UNABLE TO PERFORM AVAILABLE WORK

During the 1983 Local 35 Negotiations, the Union expressed its concern about the possibility of a high-seniority employee being placed on layoff through his/her inability to satisfactorily perform a job to which the employee had been reassigned through a reduction of manpower per Section 7.04 of the Collective Agreement, or an employee voluntarily requesting a demotion for, personal reasons per article 10.09 of the Collective Agreement.. This letter will confirm the understanding of both the Company and the Union that the following procedure will be utilized should these situations arise.

The subject employee will take available work in the same or lower labour grade, if qualified to do so. Should other work not be available, the employee will bump the most junior employee in the office whose **job** same employee is qualified to perform. If the subject employee fails to satisfactorily perform the available work, or the work held by the junior employee (whichever be the case), then same employee will be laid off.

The original position vacated by the employee unable to perform the work or who requests a demotion will be filled per the provisions of paragraph **67** of section 7.04.

It was further agreed that should the junior bumped employee not be the **most** junior employee working in the office, same employee will be allowed the opportunity to bump the most junior employee, providing he/she is qualified to perform the work.

During the 1988 Contract Negotiations the Company and the Union agreed to extend the provisions of this letter to employees unable to satisfactorily perform a job which had been reached according to section 7.16 of the Collective Agreement.

Yours very truly,

J. J. Krete
Manager
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 36

August 1, 1983

Mrs. Arlene Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: RED LINE LETTER

During the 1983 Negotiations, the Company and Union discussed the **status of** an employee who is retained or recalled to a job because of a special skill as an exception to seniority, It was agreed that such employee is retained in position, out of line of seniority, only to perform the work in question.

Should another job open up, the exception to seniority employee may not be deemed a qualified applicant unless senior employees do not apply under Section 7.16 or more senior employees who are qualified on the layoff list are not available. The provisions of Paragraph **66** will not apply to exception to seniority employees.

Yours very truly,

J. O. Vanest
Manager
Human Resources

JOV/ad

**Navistar International
Corporation Canada**

Letter No. 37

Mr. J. R. Hind
Chairperson
Local 35 CAW, Navistar Unit
Chatham Plant

August 1, 1983
Revised: 10 March, 1997

Dear **Mr. Hind:**

SUBJECT: TEMPORARY SHUTDOWNS

Temporary reductions of office personnel resulting from a cessation of plant operations for a period of two (2) weeks or less, to a maximum of three (3) times per year, will be administered as follows.

1. All Principals whose jobs are functioning will be retained on their jobs, with the exception that a Principal may bump another Principal providing the employee is capable of performing the job in a reasonable manner. The remaining functions required during the period in question will be filled according to contractual language with the exception of Section 7.04, Paragraph 65. Employees must be capable of performing the job in a reasonable manner after a brief orientation.
2. All employees affected by a temporary reduction and layoff will be restored to their regular job assignments upon resumption of normal plant operations, unless a permanent manpower change has been implemented.
3. Temporary shutdowns affect the office workload at different points in time. In some departments, employees are out of work the week before; and in others, the week after the down period began. This causes problems in the distribution of work to employees. Some departments should reduce the week before the shutdown and return a week earlier. Others should maintain operations a week longer after the shutdown begins and ends. The Company and Union agreed to discuss these situations as they arise and seek solutions to resolve inefficiencies.

4. Employees temporarily reduced, scheduling vacation during the subject period or immediately afterward, will receive vacation pay calculated on the basis of their pre-shutdown classification and wage.

Yours very truly,

J. J. Krete
Manager
Human Resources

**Navistar International
Corporation Canada**

Letter No. 38

March 1, 1991

Mr. J. Hind
Chairperson,
Local 35, C.A.W
Navistar Unit
Chatham Plant

Dear Mr. Hind

SUBJECT: MANDATORY DRUG TESTING

During these negotiations, the parties discussed the issue of mandatory drug and alcohol testing in the workplace. In recent years, this issue has been the subject of considerable public debate and a number of legal cases in various jurisdictions. The parties agree 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 truly,

J.J. Krete
Manager,
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 39

August 1, 1983

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: TEMPORARY ASSIGNMENTS

During the 1983 negotiations the Company and Union agreed that employees who are temporarily assigned to a different classification for a minimum of three (3) consecutive weeks or an accumulation of three (3) weeks in one (1) week increments in a six (6) month period will have said assignment recorded on their personal employment card.

The employee will be required to initiate the appropriate form(s) initialed and dated by the respective supervisor(s), and present the form(s) to the Personnel Services Manager or designate who will record the temporary assignment.

Yours very truly,

J. O. Vanest
Manager,
Human Resources

/jv

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 40

August 1, 1983

Mrs. A. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: S & A AND LEAVE OF ABSENCE REPLACEMENTS

During the 1983 Negotiations, the Company and Union agreed to assign employees returning from S & A or Leave of Absence under the provisions of Paragraph 303 as follows:

1. Absences of seventeen (17) weeks or less

All affected employees shall return to their original positions held prior to the commencement of such absence.

2. Absences in excess of seventeen (17) weeks

The employee in question shall be assigned to the original position held prior to the absence. All employees involved in the subsequent moves shall be placed in accordance with the seniority provisions of Section 7.04.

In both of the above situations, should the position and the work performed at the time of the absence not be available, then the returning employee would be assigned in accordance with the seniority provisions of Section 7.04.

Yours very truly,

J. O. Vanest
Manager,
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 41

February 28, 1985

Mrs. A. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: FUTURE PENSION PLAN CHANGES

During the 1985 Negotiations, the Company and the Union agreed that any changes in the Non-Contributory Retirement Plan negotiated with Local 127, in the next agreement, will apply to Local 35, with the same effective date.

It was further agreed that any lump sum payment to eligible pensioners and to eligible surviving spouses negotiated with Local 127 in the next agreement will also apply to Local 35, with the same effective date.

Yours very truly,

R. C. Hillis
Manager,
Employee Benefits

**Navistar International
Corporation Canada**

Letter No. 42

March 7, 1994
Revised March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

**SUBJECT: PROCESS PLANNERS-BASIC QUALIFICATIONS AND
PROGRESSION**

During the 1994 Contract Negotiations the Company and the Union discussed the subject of progression and basic qualifications for Process Planners.

The Company has agreed that an employee classified as Process Planner II (grade 10) will progress to Process Planner I (grade 12) after working no more than thirty-six (36) months in the former position. After the incumbent has worked six (6) months on the job, the Company will review his/her job performance to determine whether or not it is satisfactory from an ability and quality standpoint. The Company will advise the incumbent and the Union of the results. Should the Company determine that the performance is not satisfactory, the incumbent's employment will be terminated unless he/she was a member of Local 35 prior to entering the position, in which case he/she may exercise seniority rights in accordance with the Collective Agreement.

Process Planner II employees affected by a reduction of force may exercise their seniority rights according to the normal provisions of the contract. Also if these same employees wish to bid on other classifications, they may be considered by the Company.

The basic qualification (as it relates to the seniority provisions of the Collective Agreement) for the two (2) Process Planner classifications after signing of this Collective Agreement will be a minimum of a two (2) year certificate as either an Industrial, Electrical, or Mechanical Technician from a recognized Community College, plus **a mandatory passing grade level of at least 80% for the "Basic MOST" and "Computer MOST" courses.**

Those employees currently occupying any of the above listed classifications will not be required to meet these basic requirements.

If the Company disputes an employee's ability to perform grade 12 level work the employee will be required to pass a mutually agreed upon test.

Yours Truly,

J. J. Krete
Manager
Human Resources

**Navistar international
Corporation Canada**

Letter No. 43

Mr. J. R. Hind
Chairperson,
C.A.W., Local 35
Navistar Unit
Chatham Plant

March 1, 1991
Revised: March 6, 1994
Revised: March 10, 1997

Dear Mr. Hind:

SUBJECT: SOCIAL JUSTICE FUND

During the 1991 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 measures to assist innocent victims of droughts, 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
03/10/97 - 05/31/97	06/30/97
06/01/97 - 08/31/97	09/30/97
09/01/97 - 11/30/97	12/31/97
12/01/97 - 02/28/98	03/31/98
03/01/98 - 05/31/98	06/30/98
06/01/98 - 08/31/98	09/30/98
09/01/98 - 11/30/98	12/31/98
12/01/98 - 02/28/99	03/31/99
03/01/99 - 05/31/99	06/30/99
06/01/99 - 08/31/99	09/30/99
09/01/99 - 11/30/99	12/31/99
12/01/99 - 02/29/00	03/31/00

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 donations 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 as the Union provides it with documentation to establish 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 truly

J. J. Krete
Manager
Human Resources

**Navistar International
Corporation Canada**

Letter No. 44

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W
Navistar Unit
Chatham Plant

SUBJECT: PAINT TECHNICIAN CLASSIFICATION

Dear Mr. Hind:

During the 1994 negotiations the Company agreed to pay a special salary rate to the current Paint Technician, Gavin Stuart. He will be paid at a Grade 12 salary rate as long as he occupies the 160-010 position.

Future incumbents will fill the Paint Technician position at level 10 salary rate.

Yours very truly

J. J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 45

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: CONTRACTUAL EXCEPTIONS

During the 1991 Contract Negotiations the Company and Union discussed situations where the normal seniority provisions of the Collective Agreement may inadvertently work to the detriment of all parties, that is, the Company, Union, and the affected employee(s).

Both parties have agreed that in situations such as this, exceptions to the normal seniority language can be implemented only when the Manager Human Resources, the Local 35 Chairperson, and the affected employee(s) agree to do so.

Yours very truly

John Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 46

February 25, 1985
Revised.. March 1, 1991
Revised: March 6, 1994
Revised March 10, 1997

Mr. B. Hargrove
CAW President
National Automobile Aerospace and
Agricultural Implement Workers of Canada
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

SUBJECT: PAID EDUCATIONAL LEAVE

During these negotiations, the parties have discussed the labour education program developed by the Union for the purpose of upgrading the skills which employees utilize in all aspects 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 over a ten-year period which began in July, 1981.

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 \$12,500 to the P.E.L. Trust in equal quarterly payments of \$625 on the following dates:

04/01/97	04/01/98	04/01/99	04/01/00
07/01/97	07/01/98	07/01/99	07/01/00
10/01/97	10/01/98	10/01/99	10/01/00
01/01/98	01/01/99	01/01/00	01/01/01

In addition, on the above noted dates, the Company will make contributions to the P.E.L. Trust equal to one cent (\$.01) for each hour worked in the preceding thirteen (13) week period.

The Union will cooperate 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. Trust Fund represented by the Company's contributions will be used solely and exclusively to provide paid educational 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 purposes 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 on four (4) weeks' 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 leaves will be excused from 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 1991 Chatham Plant Agreement.

Yours very truly,

J. J. Krete
Manager
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 47

February 28, 1985
Revised: March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35 CAW, Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: STATUTORY HOLIDAY OVERTIME PAY

During the 1985 Contract Negotiations, the Company and the Union discussed the issue of rate of pay for Local 35 employees working more than eight (8) hours on a designated holiday. The Company agreed to pay triple time to employees for all hours worked in excess of eight (8) hours on a designated holiday.

Additionally, during the 1994 negotiations the Company confirmed that Local 35 employees who work overtime on any designated holiday will be paid triple time for all hours worked beyond the scheduled hours of work as determined in Letter 66 of the 1994 Collective Agreement.

Yours very truly,

J. J. Krete
Manager
Human Resources

JER/ad

**Navistar International
Corporation Canada**

Letter No. 48

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

March 8, 1991
Revised: March 7, 1994

Dear Mr. Hind:

**SUBJECT: PRODUCT DESIGNERS - BASIC QUALIFICATIONS AND
PROGRESSION**

During the 1991 Contract Negotiations the Company and the Union discussed the subject of progression and basic qualifications for Product Designers.

The Company has agreed that an employee classified as Product Designer III (grade 8) will progress to Product Designer II (grade 10) after working no more than two years in the former position. After the incumbent has worked six (6) months on the job, the Company will review his/her job performance to determine whether or not it is satisfactory from an ability and quality standpoint. The Company will advise the incumbent and the Union of the results. Should the Company determine that the performance is not satisfactory, the incumbent's employment will be terminated unless he/she was a member of Local 35 prior to entering the position, in which case he/she may exercise seniority rights in accordance with the Collective Agreement. Product Designer III employees affected by a reduction of force may exercise their seniority rights according to the normal provisions of the contract. Also if these same employees wish to bid on other classifications, they may be considered by the Company.

The basic qualification (as it relates to the seniority provisions of the Collective Agreement) for any of the three Product Designer classifications after signing of this Collective Agreement will be a minimum of a two (2) year certificate as either an Electrical or Mechanical Technician from a **recognized** Community College.

Those employees currently occupying any of the above listed classifications will not be required to meet these basic qualifications.

During the 1994 negotiations the Company also agreed to progress Product Designers II (grade 10) to Product Designer I (grade 12) after working no more than thirty-six (36) months in the former position. If the Company disputes an employee's ability to perform grade 12 level work the employee will be required to pass a mutually agreed upon test.

Yours Truly,

J.J. Krete
Manager
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 49

February 28, 1985

Mrs. A. J. Innes
Chairperson
Local 35, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: RIGHT OF SELECTION

During the 1985 Contract Negotiations, the Company and the Union discussed the application of Section 7.16 (c). "Right of Selection"

The company agrees that in the application of section 7.16 (c), the right of selection on a vacancy will be restricted to the selection of a person covered by this Collective Agreement, provided that there is at least one person in the seniority unit in which the vacancy occurs who has the necessary qualifications and who has applied for such vacancy.

Yours very truly,

J. J. Krete
Manager
Human Resources

JJK/ad

CHATHAM PLANT 508 Richmond Street **Chatham**, Ontario **N7M 5M4**
Phone **519 352-1200**

**Navistar International
Corporation Canada**

Letter No. 50

April 4, 1988

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

EMPLOYEE ACCESS TO PERSONNEL FILES

During the 1988 Negotiations the Union raised the employee concern of whether the contents of employees files were correct and complete. The Company agreed to provide Local 35 employees access to their own personnel files held in the Human Resources Department, on the employees own time, provided the review is conducted in the presence of a representative from Human Resources Department at a mutually agreed upon time and date. Medical files are not available for review by anyone other than the Medical personnel.

Yours very truly,

J. J. Krete
Manager,
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 51

February 21, 1985

Mrs. A. J. Innes
Chairperson
UAW, Local 35
Harvester Plant

Dear Mrs. Innes:

**SUBJECT: RESTORATION AFTER
TEMPORARY REDUCTION**

During the 1985 contract negotiations the Company and the Union agreed that employees, who changed jobs or went to layoff, would be restored to their original positions held prior to the temporary reduction. Should it become necessary to put a permanent reduction in place during such a temporary reduction, it is agreed that the permanent reduction will be implemented based on the positions the employees held prior to the temporary reduction.

Yours very truly,

J. J. Krete
Manager
Human Resources

**INTERNATIONAL HARVESTER
CANADA**

Letter No. **52**

February 19, 1985

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

**SUBJECT: NOTIFICATION OF
TERMINATION OF BENEFIT COVERAGE**

During the 1985 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 Plans and Supplemental Unemployment Benefit Plans.

Yours very truly,

J. J. Krete
Manager
Human Resources

JJK/ad

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 53

February 19, 1985

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: CHANGES IN COMPANY POLICY

During the 1985 Contract Negotiations, the Company and the Union discussed the **subject of** changes in Company Policy that affect all salaried represented employees at the Chatham Plant.

The Company agrees that it will advise the Chairperson in advance if possible, of any known changes in Company policy that will affect all salaried represented employees at the Chatham Plant.

Yours very truly,

J. J. Krete
Manager
Human Resources

JJK/ad

**INTERNATIONAL HARVESTER
CANADA**

Letter No. 54

February 20, 1985

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: INVERSE SENIORITY

During the 1985 Negotiations, the Company and the Union discussed the concept of inverse seniority.

Roth parties agreed that in cases of temporary layoff for a definite period of time, inverse seniority would be applied only if the SUB CUCB is at a level of \$264.50 or more immediately prior to the layoff.

When applying inverse seniority, the following procedure will be used.

1. The senior employee occupying the classification within the department which the Company has chosen to reduce will be allowed the option of going to layoff for the duration of the reduction, rather than bump a junior employee within that same classification and department number.
2. At the conclusion of the temporary reduction, all employees who opted for layoff, as well as those employees who were forced to change jobs, will be restored to their original positions held prior to the layoff.
3. If during the layoff period the Company chooses to repopulate a job originally reduced, and an employee had opted to take layoff as a result of the original reduction, that same employee will be required to return to work according to Section 7.07 (e) of the Collective Agreement.

Yours very truly,

J. J. Krete
Manager
Human Resources

**Navistar International
Corporation Canada**

Letter No. 55

April 4, 1988

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

UNION REPRESENTATION DURING OVERTIME HOURS

During the 1988 contract negotiations the Company and Union discussed the issue of a lack of Union representation available to Local 35 employees when they work overtime.

The company recognizes that circumstances may require the immediate attention of a Union representative. When this is the case, the employee requiring the services of his/her Committeeman may contact the Committeeman at home, and request that the Committeeman return to the office to address the problem. Should the Committeeman find it necessary to return to the office to attend to the matter, he/she will be paid for the actual time worked at the applicable overtime rate.

The employee in need of the Committeeman will request a signed gate pass from his/her supervisor, or, if the immediate supervisor is not present, any managerial employee present at the time, then, drops it off at the front gate to be picked up by the Committeeman on the way in.

Should this agreement be abused, the Manager of Human Resources and the Office Chairperson will resolve the abuse.

Yours very truly,

**J. J. Krete
Manager,
Human Resources**

**Navistar International
Corporation Canada**

Letter No 56

Revised: March 6, 1994

Mr. J. Hind
Chairperson
CAW, Local 35
Navistar Unit

Dear Mr. Hind:

SUBJECT: SUB-OVERTIME SUPPORT

During the 1985 negotiations the Company and the Union agreed that:

1. A Special Fund will be established for and during the term of the 1985 Collective Agreement.
2. Such Special Fund will equal an accrual by the Company of \$2.00 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 1991 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 Unit 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 from 5 to 10 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 contribution 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 1991 Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Fund.

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Phone 519 352-1200

6. The balance in the overtime contingency fund as of the effective date of the agreement was \$13,997.81

Yours very truly,

J. J. Krete
Manager Human Resources

**Navistar International
Corporation Canada**

Letter No. 57

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: N.E.A.R. COORDINATOR

During the 1991 Contract Negotiations the Company agreed that if the N.E.A.R. Coordinator is a Local 35 employee, then, that person will have preferred unit seniority and will be paid equivalent to Local 127 grade 13 daywork rate, or, the incumbent's own rate if higher.

Yours very truly,

J.J. Krete
Manager
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 58

April 4, 1988

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

OVERTIME FOR YEAR END CLOSING

During the 1988 Contract Negotiations the subject of the four (4) week time frame referred to in the Memorandum of Agreement on Overtime, Section entitled "Inventory", was discussed. The concern was that Accounting Personnel would not know when this additional overtime period of four (4) weeks would begin and end.

The Company agreed that Accounting Supervisors would notify the employee(s) in writing, in advance of the four (4) week period occurring on their job with copy to the Unit Chairperson.

Yours very truly

J. J. Stanaway

INTERNATIONAL' HARVESTER
CANADA

Letter No. 59

February 27, 1985

Mrs. A. J. Innes
Chairperson
Local 35 UAW, IHC Unit
Chatham Plant

Dear Mrs. Innes:

SUBJECT: ONE-TIME DEPENDANT SELECTION

During the 1985 Negotiations, discussions were held regarding eligibility for Health Benefit coverage under Part II, Article XIII, Section 3.

The Company agreed that with the concurrence of Local 127 employees, Local 35 employees whose spouses are also employed by International Harvester Canada Limited will be given a one time opportunity to elect who will carry the, Health Benefit cover-ages. This opportunity will also be given to new Local 35 employees or Local 35 employees who marry Local 127 employees.

Yours very truly,

R. C. Hillis
Manager
Employee Benefits

RCH/ad

**Navistar International
Corporation Canada**

Letter No. 60

March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit

Dear Mr. Hind:

SUBJECT: SPECIAL PROJECTS IN THE N.I.O. AREA

During the 1997 negotiations, the Company expressed their concern about projects which required special expertise on a temporary basis which is not readily available for Chatham Plant personnel. As well the Union expressed their concern regarding the training of Chatham N.I.O. personnel in these systems.

As a resolution to these issues, the Company and Union agree to the following.

1. When knowledge or significant expertise is not presently available for the introduction of new systems/hardware (unlike windows 95 or windows NT) a non-represented individual can be employed at the Chatham Assembly Plant. The Union will be notified in advance as to:
 - a) Who the individual is
 - b) The nature of the project
 - c) The expected completion date of the project
 - d) Which Chatham Assembly Plant NIO staff will be involved
2. The non-represented individual will involve the Chatham Assembly Plant NIO represented staff and assist in their practical training in the system. Any additional training will be planned for, so that Chatham Plant NIO staff will be able to operate in the new system, when the project is completed.
3. When the project is completed the term of the non-represented individual will be completed.
4. The Company will stop the practice of using 860-012 Systems and Data Services Analyst to install hardware/software (except on their own machine) unless accompanied by the proper N.I.O. classified person.

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

5. **The Company will agree to add one represented person, minimum grade 10 level, to the NIO organization with the signing of this agreement. If that employee is hired as a grade 12, any other similarly classified person at the grade 10 level will be progressed to the grade 12 level.**

Yours sincerely

**D. J. Spooner
Plant Controller**

**Navistar International
Corporation Canada**

Letter No. 61

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: EMPLOYEE PAYCHEQUES

During the 1991 Contract Negotiations the Company and Union agreed that all salaried employees would receive their paycheques on the same day as the production (local 127) employees, which is presently Friday. This change will allow the convenience and consistency of having one (1) payday for all represented and non-represented employees at our facility.

In addition, to explore the convenience of "direct deposit" for salaried paycheques, the Company and Union have also agreed to jointly research the possibility of adopting a "direct deposit" program. However, it is understood that prior to adopting such a program, mutual agreement between the parties must be achieved.

Yours very truly

P. G. Dahmer

**Navistar International
Corporation 'Canada**

Letter No. 62

(April 4, 1988)
Revised: March 1, 1991

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

INFORMATION MEETINGS

During the 1991 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 the employees.

In this regard the Company agrees to establish Information Meetings as required between the Plant Manager and the Unit Chairperson at mutually agreed dates to discuss mutual concerns, such as schedules, pending changes to the work environment and the work content within the office, outside factors affecting 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 and Union acknowledge the value of open, two way communications in developing mutual trust and affording those involved 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.

R. McKay
Plant Manager

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 63

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

March 1, 1991
Revised March 7, 1994
Revised: March 10, 1997

Dear Mr. Hind:

CHAIRPERSON WORK CENTRE

During the 1994 negotiations the Company agreed to provide the Union Chairperson with a work centre, the location of which shall be mutually agreed upon by the Plant Manager and the Union Chairperson. This area will include a desk, chairs and telephone. The Chairperson will use this area only when performing Union business. In addition, each Union steward will be provided with a lockable device to be used for storage of his/her Union materials.

During the 1997 negotiations the Company agreed to provide a computer for the use of the Union to be installed in the Chairperson's work centre. Additionally the Company further agreed to provide private telephone lines with voice for all Union Stewards. It was further agreed that should the Company decide to utilize cellular type phones throughout the facility that are currently being utilized on a limited scale; three cell phones will be made available for the use of the Local 35 Bargaining Committee.

Yours very truly,

J. J. Krete
Manager,
Human Resources

**Navistar International
Corporation|Canada**

Letter No. 64

April 4, 1988

Mr. J. R. Hind
Chairperson Local 35,
C.A.W. Navistar Unit
Chatham Plant
Dear Mr. Hind:

TRIFOCALS AND HEARING AIDS

During the 1988 contract negotiations the subject of Local 35 employees requiring trifocal lenses was discussed.

When a Local 35 employee (who normally wears single or bifocal lenses) requires an additional pair of trifocal lenses, as a direct result of any work-related activity (such as the use of VDT's, etc.), the Company will extend its Vision Care Program to cover this additional pair under the same terms and conditions as those that governed the purchase of the original pair of lenses.

In addition, the Company also agreed to shorten the minimum replacement time for hearing aids and molds for employee dependents under the age of eighteen (18) years, from the current three (3) year minimum to a two (2) year minimum time frame.

Yours very truly,

K. A. Sherring
Personnel
Services Manager

**Navistar International
Corporation Canada**

Letter No. 65

April 4, 1988

Revised: March 1, 1991

NON-SMOKING IN THE OFFICE AREA

The Company and Local 35 share their concern for the health, safety, and comfort of all employees. It is recognized that smoke from cigars, pipes and cigarettes poses a serious health risk to both smokers and nonsmokers alike. Studies indicate also that side stream and second hand smoke, besides being an irritant to most nonsmokers can also have harmful effects on their health.

Both parties, in recognition of the facts, intend to continue to support "Stop Smoking" campaigns, and to maintain the office areas as non-smoking areas.

J. R. Hind
For the Union

J. J. Krete
For the Company

**Navistar international
Corporation Canada**

Letter No. 66

April 4, 1988

Revised: March 7, 1994

Mr. J. R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit

MODIFIED WORKING HOURS PROGRAM

During the 1988 negotiations, the Company and Union spent considerable time discussing the subject topic. Several factors were discussed that may be affected by these modifications, such as, customer expectations, long term viability of the plant, past and present levels of absenteeism, support of the production functions, etc.

The Company and Union have agreed to a modification of working hours for all Local 35 represented employees. This program will be implemented effective the second Monday following ratification and will remain in force throughout the current contract unless Local 127 reverts back to a forty (40) hour work week, at which time Local 35 will track Local 127. In addition, this program may also be canceled at any time should both the Company and Union mutually agree to do so. In either case, cancellation of this program will reinstate all normal provisions of the 1988 contract that otherwise have been superseded by this program.

During the 1994 contract negotiations the Company and Union amended the core working hours to correspond with the production working hours in the plant. Further modifications to working hours may be made in accordance with Article 8.01, paragraph **130** of the Collective Agreement.

Details of the program are listed below:

A. Core Working Hours

Normal Work Week

Monday - Thursday
(i) 1st Shift
6:30 a.m.- 12:10 p.m.
12:40 p.m.- 3:30 p.m.

2nd Shift
4:30 p.m.- 9:00 p.m.
9:30 p.m.- 1:30 a.m.

Friday
1st Shift
6:30 a.m.- 11:30 a.m.

2nd Shift
12:00 p.m.- 5:00 p.m.

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
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- (ii) **Work Week Containing Friday Holiday**
1st Shift
Monday - Wednesday -- Same as (i) above
Thursday - 6:30 a.m.- 11:30 p.m.

2nd Shift
Monday - Wednesday -- same as (i) above
Thursday - 12:00 p.m. - 5:00 p.m.

- (iii) **Work Week containing Monday Holiday**
1st Shift
Tuesday - Thursday -- same as (i) above
Friday - .same as (i) above

2nd Shift
Tuesday - Thursday -- same as (i) above
Friday - same as (i) above

B. Work Week Hours

(i) **Normal Work Week**

	M	T	W	T	F	TOTAL
Hours Worked	8.5	8.5	8.5	8.5	5.0	39.0

(ii) **Friday Statutory Holiday Week**

	M	T	W	T	F	TOTAL
Hours Worked	8.5	8.5	8.5	5.0	H	30.5

(iii) **Monday Statutory Holiday Week**

	M	T	W	T	F	TOTAL
Hours Worked	H	8.5	8.5	8.5	5.0	30.5

C. Overtime

All thirty-nine (39) hours worked within the new modified work week will be on a straight time basis. Mandatory overtime language will be applied as per the 1988 Collective Agreement, excepting that there will be no mandatory overtime on a shortened Thursday, (that is, the day before a Friday statutory holiday). Note: The factor of 1.0256 will not be applied to overtime hours worked.,

D. Vacation (Article 9)

Vacation time may be scheduled in increments of four (4) hours or more, other than those weeks held for the annual vacation shutdown period.

During the modified work week program, a vacation week will be equal to thirty-nine (39) hours of time off the job.

Statutory holidays are equal to eight (8) hours regular pay grossed by a factor of 1.0256 with the exception of the five (5) day week at Christmas. The forty (40) hour Christmas week will be paid at the non-grossed rate.

E. Absenteeism

As a result of concerns regarding a possible increase of absences on Friday, it has been agreed that individual cases of abuse will be reviewed and addressed by the Manager of Human Resources and the Unit Chairperson.

It is understood that this modified work week agreement will override all applicable articles of the 1988 collective agreement only while the program is in effect, and, during such program, pay will be based on forty (40) hours (39 hours X 1.0256 = 40 hours pay), and, that a reduction of one (1) day will be made to the casual absence allotment outlined in Letter No. 13.

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

**Navistar International
Corporation Canada**

Letter No. **67**

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

SUBJECT: QUALITY CONTROL PLANNER CLASSIFICATION

Dear Mr. Hind:

During the 1994 negotiations the Company agreed to upgrade the current Quality Control Planner (8 10-0 12) classification to a Grade 13.

It was further agreed that a new entry level Quality Control Planner Grade 11 classification will be created for all future entries into the position of Quality Control Planner.

Yours very truly

J. J. Krete
Manager
Human Resources

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**Navistar international
Corporation Canada**

Letter No. 68

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: ELIGIBILITY FOR \$500.00 VACATION BONUS

During the 1991 Contract Negotiations the Company and the Union discussed the issue of who is eligible for the \$500.00 vacation bonus payable on June 30th each year of the Collective Agreement.

It was agreed that eligibility for that date would be the same as at Ford Canada.

Yours truly

J. J. Krete
Manager
Human Resources

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**Navistar International
Corporation Canada**

Letter No. 69

March 8, 1991

Revised: March 6, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: ADDITIONAL HOLIDAY HOURS

During the 1991 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 the Christmas Holiday period which begins 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 136 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 (3rd) shift 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 (4th) shift of the week that includes Easter Friday.
2. When there are one, two or three regularly scheduled Holidays before or after the Christmas Holiday Week those days will be increased in length by one-half 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 each employee who meets normal qualifying language. Similarly in a year with only six (6) days in the Christmas Holiday Period the last work day is reduced one (1) hour.
3. In each calendar year four (4) Fridays were agreed to as five (5) hour Holidays (see schedule), and will be paid to employees meeting normal qualifying rules.

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Employees working the third (3rd) 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 (5th) day. On these four (4) days their shift will start one-half (0.5) hour earlier than normal.

Yours very truly,

J. J. Krete
Manager Human Resources

HOLIDAY SCHEDULE

1997/1998	1998/1999	1999/2000
Easter - Thursday/Friday		
March 27 work. 5.0	April 9 work 5.0	April 1 work 4.5
off (3.5)	off (3.5)	off (4.0)
March 28 off (5.0)	April 10 off (5.0)	April 2 off (5.0)
Victoria Day - Friday/Monday		
May 16 off (5.0)	May 15 off (5.0)	May 21 off (5.0)
May 19 off (8.5)	May 18 off (8.5)	May 24 off (8.5)
Canada Day - Friday/Monday		
June 27 off (5.0)	July 3 off (5.0)	July 2 off (5.0)
June 30 off (8.0)	July 6 off (8.0)	July 5 off (8.0)
Civic Holiday - Friday/Monday		
August 1 off (5.0)	July 31 off (5.0)	July 30 off (5.0)
August 4 off (8.5)	August 3 off (8.5)	August 2 off (8.5)
Labour Day Weekend - Friday/Monday		
August 29 off (5.0)	September 4 off (5.0)	September 3 off (5.0)
September 1 off (8.5)	September 7 off (8.5)	September 6 off (8.5)
Canadian Thanksgiving - Monday		
October 13 off (8.5)	October 12 off (8.5)	October 11 off (8.5)
Christmas Holiday Period		
December 24 off (8.5)	December 24 off (8.5)	December 23 off (8.5)
December 25 off (8.5)	December 25 off (5.0)	December 24 off (5.0)
December 26 off (5.0)	December 28 off (8.5)	December 27 off (8.5)
December 29 off (8.5)	December 29 off (8.5)	December 28 off (8.5)
December 30 off (8.5)	December 30 off (8.5)	December 29 off (8.5)
December 31 off (8.5)	December 31 off (8.5)	December 30 off (8.5)
January 1/98 off (8.5)	January 1/99 off (5.0)	December 31 off (5.0)
January 2/98 off (5.0)		

**Navistar International
Corporation! Canada**

Letter No. 70

March 1, 1991

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: REINSTATEMENTS TO “PROGRESSIVE” POSITIONS

During the 1997 negotiations the Union expressed concern over the possible reduction in wages which could occur when an employee leaves and returns to a “progressive” position for any reason.

The Company agrees that if an employee in a “progressive” position is reduced or transferred to another position and subsequently returns, he/she will be reinstated at the same relative wage progression and grade as he/she held prior to leaving the position.

If during their absence from the progressive position a significant technological change has occurred, the employee will be assigned to the next lower “progressive” grade level at the same relative wage progression position for a period of no more than six (6) months. At the end of the six month period, or sooner if the employee’s job performance has been brought up to the new technology he/she will be advanced to the previously held “progressive” grade and wage progression position.

J. J. Krete
Manager, Human Resources

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

**Navistar International
Corporation Canada**

Letter No. 71

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

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

During the 1991 negotiations the Company and the Union discussed provisions of the C.A.W.-Navistar Legal Services Plan (the "Plan") which provide 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 implications 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 establishes 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.

Yours truly,

J. J. Krete
Manager, Human Resources

**Navistar International
Corporation Canada**

Letter No. 72

February 27, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: LONG TERM CARE PROGRAM

During the 1991 negotiations, the parties agreed that it would be appropriate for the Company and Union Committee to study the proposed Ontario long term care program which includes alternatives to extended care in nursing homes and homes for the aged.

Yours truly

J. J. Krete
Manager, Human Resources

**Navistar International
Corporation Canada**

Letter No. 73

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

**SUBJECT: APPLICATION OF WEEKLY SICKNESS & ACCIDENT BENEFITS
FOR PREGNANCY**

During the 1991 Contract Negotiations, the Company and Union discussed the issue of women who are pregnant and unable to work as it relates to their entitlement to Weekly Sickness and Accident Benefits.

In an effort to resolve this issue we have agreed our practice in this area will be the same as Ford Canada application.

Yours very truly,

J. J. Krete
Manager
Human Resources

**Navistar International
Corporation Canada**

Letter No. 74

March 7, 1994

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: MATERNITY LEAVE

During the 1994 negotiations the Union requested the inclusion of the following letter in the Supplemental Letters.

August 30, 1993

To: M. Dawson
S. Curry
M. A. Houle
C. Koole
W. Walrath

Re: Maternity Leave

As a follow up to our meeting concerning the above noted topic attached is a copy of a related Stringer Brisbin information release.

**CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200**

In summary the Leave and Benefit entitlement under the different legislation is as follows:

UNEMPLOYMENT INSURANCE ACT (Benefit Entitlement)	EMPLOYMENT STANDARDS ACT (Leave Entitlement)
2 Waiting weeks	17 Weeks Maternity Leave
15 Maternity Benefits weeks	18 Weeks Parental Leave
10 Parental Leave Benefit Weeks	
5 Additional Weeks if child requires	
15 Sickness Benefit Weeks if required	
<hr/>	
*30 Wks Maximum Benefit Entitlement	*35 Weeks of Leave

* Can only get 30 wks of Benefits but Leave can be 35 weeks

Note: For Navistar purposes, (as per the Ford Agreement) pregnant employees would be eligible for coverage under Sickness and Accident Benefits for the entire period, including the Maternity or Parental Leave for the Extra Weeks if required by the child but for no longer than 30 weeks of benefits (unlike UIC, there will be only one waiting week).

However, upon application the employee may be off for a total of 35 weeks (LOA for 4 weeks).

Normal Sickness and Accident Benefits would apply for any period of disability if a consequence of pregnancy.

Seniority and service continues to accrue during the Leave. Therefore, an employee returning from Leave will be entitled to the vacation time off as per the Collective Agreement, however the vacation pay entitlement will be based upon the hours worked prior to her maternity/parental leave.

Also attached please find a copy of the letter Occupational Health will be forwarding to the Attending Physician.

Kathy A. Sherring

c.c. J. J. Krete
J. R. Hind
R. J. Hamilton
J. L. Wynne

**Navistar International
Corporation Canada**

Letter No. 75

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: RATES FOR WEEKLY SICKNESS & ACCIDENT BENEFITS

During the 1991 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 truly

J. J. Krete
Manager,
Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 76

March 1, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W
Navistar Unit
Chatham Plant

Dear Mr. Hind:

**SUBJECT: NAVISTAR INFORMATION ORGANIZATION (N.I.O.) AT CHATHAM
PLANT**

During the 1991 negotiations the Company and the Union discussed the possibility of N.I.O. Systems & Data Services Analysts joining the Chatham Plant organization as non-represented employees.

To accomplish this objective, which will help ensure Chatham Plant's continuing viability in the N.I.O. area, the following items were agreed to:

1. The three (3) Systems & Data Services Analyst -job 860- ("analysts") positions on roll at Chatham Plant as of March 1, 1991 will be maintained if one or more non-represented employee(s) is hired at or transferred to Chatham Plant.
2. The number of non-represented analysts will never exceed the number of analysts that are members of Local 35
3. Overtime will be assigned to the normal operator as it occurs. The Unit Chairperson will notify the Controller of suspected inequities in overtime hour distribution.
4. Bargaining Unit employees will be canvassed for long term off-site projects but will not be forced on such assignments if they involve lengthy stays away from home.

Yours truly

J. J. Krete
Manager, Human Resources

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 77

March 7, 1997

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

RE: NOTICE OF PERMANENT JOB LOSS OR PLANT CLOSURE

During the 1997 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 35 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 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

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Phone 519 352-1200

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 o&sourcing, insourcing, or the introduction of new process technology. The parties will jointly develop the tracking process.**
- 2) **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 35 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 alternate attend in their place (except the Plant Manager). Other involved individuals from both pa/-ties will be called on to attend to ensure availability of needed information and expertise. Local 127 representatives will also be invited to attend.

- 3) **If during or following discussions outlined in item #2 above, the Company wishes to pursue an initiative further, it will give the above stated notice in writing.**
- 4) **The Union will have up to 30 days from the date the Company gives notice per item #3 above to provide written proposals 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.**
- 5) **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.**
- 6) **The Company will not implement an initiative referred to above until at least the 30 day period referred to in item #5 above has expired.**

Yours truly,

J. J. Krete
Manager Human Resources

**Navistar International
Corporation Canada**

Letter No. 78

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

March 1, 1991
Revised: March 7, 1994
Revised: March 10, 1997

Dear Mr. Hind:

SUBJECT: PROCEDURES FOR PLANT CLOSURE AND PERMANENT JOB LOSS

During the 1991 negotiations, in a separate letter between the parties, WC 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 approaches and operations begin to wind down, employees who (1) are any age and have 28.1 or more years of creditable service: (2) are age 55 or older but less than age 60 and within two years would have sufficient combined years of age and creditable service to equal 85 or more: and (3) are age 60 or older but less than 65 and have ten or more years of creditable service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of creditable 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 HO, 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 creditable 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 80 upon retirement.

At time of closure, remaining employees, including eligible employees who declined 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

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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 has less than five years of seniority at layoff or because he meets, at the date of layoff, the age and creditable 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 Benefit (SUB) Plan provided he has at least one year of seniority as of his last day worked prior to layoff provided he had 5 or more years of seniority as of his last day worked prior to layoff and does not meet the age and creditable service requirements for regular early retirement upon exhausting his eligibility for Regular S.U.Benefits and did not meet the age and creditable service requirements for special early retirement (based on an age 55 minimum age 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 payment, provided that he does not meet the age and service requirements for regular early retirement at the time the application is made and did not meet the age and service requirements for special early retirement (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 workforce reductions resulting in permanent job loss as a consequence of restructuring actions cannot be accomplished in a timely and efficient manner through normal attrition, **the Company and Union will attempt to mutually agree on an order in which the options listed in (1) through (5) below are offered in a manner which will best satisfy the circumstances at hand. If the Union and the Company can not come to mutual agreement, the following steps will be taken, by order of highest Company service, first within the affected “Functional Departments” as defined later within this letter, and then office wide.**

- (1) Employees at any age who have 28.1 or more years of creditable service will be offered the opportunity to: (a) Retire, if eligible for Regular Early Retirement, and receive the retirement allowance described in Letter 80; or (b) if not eligible to retire, or if option to (a) is not chosen, to be placed on layoff with eligibility for Regular S.U.Benefits.
- (2) If the number of separations pursuant to the preceding step is less than the number of jobs that will be permanently lost, employees (excluding those who may also be in (1) above) who are 55 or older but less than age 65 and who within two years would have sufficient combined years of age and creditable service equal to 85 or more will be offered the opportunity to: (a) retire, if eligible for Regular Early Retirement, and receive the retirement allowance described in letter 80; or (b) if not eligible to retire, or

if option to (a) is not chosen, to be placed on layoff with eligibility for Regular S.U.Benefits.

- (3) 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 who also may be in (1) or (2) above but excluding those in 1(a) or 2(a) who are age 55 or more but less than age 65 and who have 10 or more years of creditable service will be offered special early retirement, and be eligible to receive the retirement allowance described in Letter 80 upon retirement.
- (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 who are age 60 or older but less than age 65 and have 10 or more years of creditable service (excluding those who may also be in (1) or (2) above) or who are age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of creditable service will be offered the opportunity to be placed on layoff with eligibility for Regular S.U.Benefits.
- (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 have 5 or more years seniority (excluding those in (1), (2), (3) and (4) above) will be offered an opportunity to apply for VTEP.

Employees accepting any of the above options can at the Company's option be retained on their job for a one month, or a two month period. During this period of time, the employee can be required to train his/her replacement or complete work as assigned within their normal duties of that job. To be eligible to receive a Retirement Allowance, the employee must work the requested time period. No employees will be displaced, nor any transfers delayed as a result of such a retention.

Should the Company retain the services of an employee per the above paragraph, then all employees retiring under the same Permanent Job Loss initiative will have the option of extending their effective retirement to a date not beyond the longest retained employee (i.e. either the one or two month period) ,

The effective retirement date will always be on the first day of a month. The Retirement Allowance will be paid effective with the retirement.

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 creditable 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 has less than 5 years of seniority or because he meets the age and creditable service requirements for regular or special early retirement will

- be eligible for Regular Benefits under the S.U.B. Plan provided he had 5 or more years of seniority as of his last day worked prior to layoff and does not meet the age and creditable service requirements for regular early retirement upon exhausting his 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 does not meet the age and creditable service requirements for regular early retirement at the time application is made and did not meet the age and creditable 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 Corporation 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.

For the purpose of this letter, “Functional Departments” will be defined as follows, including the jobs which belong to each department:

COST ACCOUNTING

- Accounting Clerk 050-007
- Cost Accountant 045-009
- Financial Accountant I 055-012
- Financial Accountant II 060-010
- Financial Accountant III 075-009

GENERAL ACCOUNTING

- Coordinator General Accounting 630-013
- General Accounting and Payroll Clerk 065-008
- General Accounting Coordinator/Cashier 720-012

PAYROLL

- Payroll Clerk* 410-007
- Principal Payroll Clerk 176-010

PURCHASING

- Buyer I 620-011
- Principal Buyer 615-012
- Purchasing Material Analyst 312-010
- Secretary Stenographer 340-006
- WHMIS & Insurance Tracking Coordinator 915-009

TRAFFIC

- Customs Clerk I185-010

- Principal Traffic Control Clerk260-011
- Traffic Control Clerk425-008

MATERIAL SCHEDULING

- Material Scheduler/Expediter Coordinator 136-010
- New Programs Material Coordinator 115-010
- Principal Materials Scheduler/Expediter 210-009

N.I.O.

- Console Operator040-008
- Data Services Coordinator I 640-012
- Data Services Coordinator II 645-010
- N.I.O. Communications Coordinator 200-008
- Systems and Data Services Analyst 860-012

PROCESS PLANNING

- Process Planner I* 015-012
- Process Planner II 020-010

ENGINEERING

- Product Designer I 125-012
- Product Designer II 130-010
- Product Designer III 080-008
- Product Designer/Trainer 268-013

ORDER PROCESSING

- Assembly Scheduling Clerk 010-007
- Order Processing Analyst 155-009
- Principal Motor Truck Distribution Clerk 215-010
- Principal Production Change Clerk 220-009
- Production Coordinator 290-009

PLANT ENGINEERING

- Plant Equipment Designer I730-013
- Tool Coordinator I 885-013
- Tool Coordinator II 870-011
- Tool Coordinator III 895-009

EXTERNAL QUALITY

- Compliance Coordinator 035-011
- Fleet and Pilot Coordinator 677-012
- Quality Control Planner 810-013
- Specification Interpreter 360-008

INTERNAL QUALITY

- Supplier Development Engineer 387-013

- **Supplier Quality Analyst..... 891-012**

INVENTORY AUDIT

- **Principal Stock Status Investigator.. 255-010**
- **Reward Clerk I 245-008**
- **Reward Clerk II 241-007**
- **Stock Status Investigator 385-007**
- **Stock Status Investigator/Reward..... 386-007**

SPECIFICATION RECORDS

- **Principal Specification Record Compiler..... 250-009**
- **Specification Record Compiler..... 365-007**

OFFICE SERVICES

- **Office Services Clerk 145-005**

PAINT DEPARTMENT

- **Paint Technician 160-010**

Yours truly

**J. J. Krete
 Manager, Human Resources**

**Navistar International
Corporation Canada**

Letter No. 79

March 1, 1991

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

**SUBJECT: REHABILITATION - WORK HARDENING PROGRAM
(Reintegration of Disabled Employees into Work Place)**

Both the Company and the Union recognize that it is not always medically possible for an employee to immediately resume full duties when returning to work from disability.

To assist employees in this situation, the Company and the Union have, in the past, supported the concept of "Work Hardening" and intend to continue to support it where appropriate.

The term "work hardening" refers to a slower reintegration into the workplace, that allows participants to gradually build up the tolerance and strength required to return to regular duties.

Rehabilitation should provide strong incentives toward increasing an employee's motivation to return to his/her own job when possible, and the disabled worker should be encouraged to return to full time employment in the shortest period of time possible. Each situation will be judged on its own merits based on medical information and the attending Physician's recommendations.

Employee participation in the program must be approved by the Occupational Health Staff in conjunction with the Personnel Services Manager and the Union, and must not jeopardize the employee's recovery. The program will be monitored by the Occupational Health Staff, with input from the Attending Physician and the employee's Supervisor. The program will provide the following financial incentives to encourage employees to return to work under the Work Hardening Program.

During the 1997 negotiations the Union expressed concerns as to the appropriateness of applying the eighty (80) hour "dispute" provisions of Article VII to a person participating in a Work Hardening Program. In resolution, it was agreed that the subject provisions will not be applied to a person working less than four (4) hours per day under this program. For persons working four (4) hours or more, the Occupational Health Center Manager will be notified in advance of the situation, and will make the determination as to the appropriateness of a "dispute" provision in the particular case.

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

(i) For employees returning from Worker's Compensation Benefits

W e e k l y		
a		(Number of Hours worked x Weekly Salary) ÷ 39 - -
b	Plus	WCB benefit (90% of Net Weekly Earnings - "a" above)
c	Equals	Actual Gross Weekly Earnings

Note: WCB benefits are not taxable.

This formula is based on current legislation. Future changes to the legislation may result in a change to this formula.

(ii) For employees returning from Disability (S & A or LTD)

Weekly earnings While Participating in Program

a		(Number of Hours worked x Weekly Salary) ÷ 39
b	Plus	Normal Weekly S & A or LTD Benefit - 50% of "a" above
c	Equals	Actual Gross Weekly Earnings*

EXAMPLE: Individual returning from S & A and working 20 hours per week
Weekly Salary: \$1000 weekly
Weekly S & A Rate: \$600 weekly

a		(20 hours x \$1000) ÷ 39 = \$512.82
b	Plus	\$600 - (\$512.82 x .5) = \$343.59
c	Equals	\$856.41*

*** For those employees eligible for Salary Continuation under Letter 13(a), their Total Earnings will be topped up to 100% of their Weekly Salary**

An employee who returns to work under (i) or (ii) above will never receive higher wages than would have been received if he/she had returned to work full time.

Employees involved in a work hardening program will not be displaced from their job during active participation in the program.

In cases where the program is unsuccessful and an employee must return to the Disability or Worker's Compensation Benefits, he/she will return at the rate earned prior to participating in the program.

J. J. Krete
 Manager, Human Resources

**Navistar International
Corporation Canada**

Letter No. **80**

March 7, 1994

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.,
Navistar Unit
Chatham Plant

**SUBJECT: RETIREMENT ALLOWANCE OPTION - JOB & INCOME
PROTECTION PLAN**

Dear Mr. Hind:

During the 1994 negotiations the parties discussed methods of providing retirement incentives to employees retirement eligible, under the Regular or Special Early Retirement provisions of the Non-Contributory Pension Plan on the date of a plant closing or permanent job loss as identified under Letter (78) Procedures For Plant Closure & Permanent Job Loss.

Accordingly, after March 6, 1994 any employee who is retirement eligible under the provisions of Letter 78 on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of **\$42,500**.

The parties agreed that the receipt of the Retirement is in lieu of any SUB entitlement that may have been provide under the provisions of Letter 55 an the SUB Plan.

Employees' who are offered this option will be allowed seven (7) calendar days to accept or decline the offer.

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%.

K. R. Wilson
Manager, Employee Relations

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

**Navistar International
Corporation Canada**

Letter No. 81

March 7, 1994

Revised: March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit
Chatham Plant

Dear Mr. Hind:

SUBJECT: NEWLY CERTIFIED EMPLOYEES

During the 1994 contract negotiations the Company and Union discussed the issue of seniority rights for the newly certified employees listed below.

The parties agreed that these employees will have seniority dates equal to their date of hire for reduction of force purposes within their own group only. In other words, if there is a reduction of manpower in the future, the employees listed below can neither bump other Local 35 employees who have seniority dates of January 3, 1994, or earlier, nor can they be bumped by other Local 35 employees who have seniority dates of January 3, 1994, or earlier, except within their own group.

If any of these employees are laid off, they will be recalled as per the normal provisions of the collective agreement.

The subject employees are considered to have a seniority date of January 4, 1994 for all other provisions of agreements that depend upon seniority dates for eligibility, such as SUB, etc..

CHATHAM PLANT 508 Richmond Street Chatham, Ontario N7M 5M4
Phone 519 352-1200

The employees covered by this agreement are as follows:

<u>NAME</u>	<u>DATE OF HIRE</u>	<u>CLASSIFICATION</u>
Guy Foster	1-22-65	Process Planner I
Jeff Eyres	4-12-65	Plant Equipment Designer I
Bill Bentley	11-20-72	Process Planner I
John Heuvelmans	9-18-73	Process Planner I
Pete Andersen	5-21-74	Process Planner I
Toni Kuni	3-18-75	Process Planner I
Ado Ounpuu	11-14-88	Process Planner I

Yours very truly

J. J. Krete
Manager,
Human Resources

**Navistar International
Corporation Canada**

Letter No. 82

September 19, 1991

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit

Dear Mr. Hind:

**SUBJECT: PREVIOUSLY POPULATED UNLISTED MANAGERIAL/NON-
REPRESENTED POSITIONS**

During the 1994 Contract Negotiations, the Company and Union agreed that if unlisted, but previously populated managerial or non-represented positions were to be reactivated, they will be deemed to be listed in Article 2.02

Yours sincerely

J. J. Krete
Manager,
Human Resources

**Navistar International
Corporation Canada**

Letter No. 83

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: HEALTH AND SAFETY CONFERENCES

During the 1997 negotiations the subject of health and safety training was discussed.

The Company agreed that the Office Joint Health and Safety Committee and the Office Chairperson will be given the opportunity to attend the annual Navistar Corporate Health and Safety Conference and one additional safety conference in Ontario, pertinent to concerns specific to Local 35.

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**

**Navistar International
Corporation Canada**

Letter No. 84

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: HEALTH & SAFETY AND ERGONOMICS REPRESENTATIVES

During the 1997 contract negotiations the Company and Union discussed the subject of Union Representation for Health & Safety, and Ergonomics. The Company agreed to recognise the current representatives, that is, Drew Hasting/; as the Ergonomics representative, and Rick Viknanek as the Health and Safety representative. It was understood that these employees will perform these functions on a "time as needed" basis, as in the past.

It was also agreed that if either of these two individuals vacates his position, the other will perform both duties, which will then become the concept followed from that point onward.

Yours very truly

**J. J. Krete
Manager
Human Resources**

**Navistar International
Corporation Canada**

Letter No. 85

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: "PROGRESSIVE" JOB REDUCTIONS

During the 1997 negotiations the Company and Union discussed the possible seniority effects of a reduction of force affecting "progressive" jobs.

The Company agreed that when a "progressive" job is reduced, the most junior employee occupying a position within the subject "progressive" hierarchy will be reduced first, regardless of which grade level the employee is at, provide the remaining incumbents have sufficient expertise to perform the work required.

Yours very truly,

**J. J. Krete
Manager,
Human Resources**

**Navistar International
Corporation Canada**

Letter No. 86

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: LOCAL 35 PARTICIPATION IN THE SIX SIGMA PROGRAM

Both the Company and the Union have agreed to the following provisions relating to Local 35 employee participation in the Six Sigma (Black Belt) Program. This agreement will become effective on the date of the signing of the agreement and remain in force throughout the duration of the 1997 through 2000 Collective Agreement, unless amended by both parties.

DURATION OF ASSIGNMENT:

- 1) All Local 35 employees who become "Black Belts" must remain on the assignment for a period of exactly two (2) years.**
- 2) It is the intent of the Company that an employee who accepts a "Black Belt" assignment will not be reassigned before the two (2) year period is complete. Therefore, should it be determined within the two (2) year period that an employee's work performance necessitates reassignment from his/her "Black Belt" position, the employee will be reassigned back to the position that he/she held prior to the "Black Belt" assignment. If the employee's job has been filled since becoming a "Black Belt", the Company agrees to not reduce the temporary replacement until the completion of the two (2) year period.**

SELECTION OF CANDIDATES:

- 1) The Company and Union will mutually agree on the "requirements" of the job (i.e. selection criteria) used to determine whether or not a person is a candidate for consideration.**
- 2) The Company will post a description of the duties related to the position of "Black Belt" for a period of two (2) days, (i.e. 48 hours). Included in the description will be the fact that the opening is for two (2) year period.**
- 3) The Company will have "right of selection" from amongst the Local 35 employees who apply and meet the "requirements" of the job.**

- 4) An information session will be held to provide the selected candidates an opportunity to hear more details related to the assignment. The employees will then be allowed seven (7) calendar days to make a final decision.
- 5) The candidates selected by the Company per # 3 above will then be assessed for final acceptance by Six Sigma Corporation. This will involve a written questionnaire and interview.

KATE OF PAY:

- 1) Local 35 employees who accept assignment as a “Black Belt” will not have their wages adversely affected as a result of acceptance of the assignment. In other words, they will continue to be paid at the same rate they would have received had they remained on the position they occupied immediately prior to taking the “Black Belt” assignment. For example: An employee leaving a grade 10 position will be paid all future grade 10 wage adjustments that he/she would have received during the duration of the assignment (i. e. two year period). This would include all wage affects, such as, annual increases, COLA increases, wage progression increases.
- 2) In addition, if the employee leaves a “progressive” position prior to reaching the higher level grade(s) associated with that same position, he/she will receive grade promotions, and the applicable wage increases at the same points in time that he/she would have been promoted to those higher levels if the employee had remained on his/her original position.
- 3) Employees occupying a “Black Belt” assignment who successfully bid on a job opening will assume the wage rate of the open position immediately upon acceptance, through to the time that he/she actually gets to the job, (i.e. after completion of the 2 year period). Refer to seniority item # 2 below.

SENIORITY:

- 1) Local 35 employees who accept assignment as a “Black Belt” will maintain an “exception to seniority status”, that is, they will not be reduced to layoff status should a reduction in force take place, regardless of their seniority level. This special status will expire at the end of the two (2) year assignment period.
- 2) These same employees referred to in item # 1 above, may bid on other job openings while occupying a “Black Belt” position, provided they meet the job “requirements” (if applicable), but, they will not be able to move into their new assignment until after completion of the two (2) year assignment. He/she must move to the new job at the end of the “Black Belt” assignment. In the meantime, the second highest seniority qualified bidder will be accepted to temporarily fill the opening, that is, until the “Black Belt” applicant completes his/her two (2) year assignment. Since the job is only to be temporarily filled by the second highest bidder, he/she will have the option of accepting or rejecting the temporary assignment, and so on down the list of bidders until the position is filled.

- 3) **Local 35 employees who accept assignment as a “Black Belt” cannot leave the bargaining unit to accept a non-bargaining unit Chatham Plant position until completion of the two (2) year assignment.**
- 4) **Local 35 employees who complete their two (2) year “Black Belt” assignment, and who did not bid to a new position during the period, will return to the Local 35 position they held prior to accepting the "Black Belt" assignment, and, should this result in a reduction within the classification to which they returned, the normal seniority contractual language will be followed. On the other hand, should the job no longer exist, the employee will be placed by normal seniority contractual language.**

OTHER PROVISIONS:

All other provisions of the collective agreement will apply, such as, vacation scheduling, holidays, overtime eligibility and pay, travel expenses, etc., unless both the Company and Union mutually agree to amendments to any off them.

Yours very truly

**J. J. Krete
Manager,
Resources**

**Navistar International
Corporation Canada**

Letter No, 87

March 10, 1997

Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit

Dear Mr. Hind:

SUBJECT: OVERTIME LIMITS

During the 1997 negotiations the Company and the Union discussed the conflict between the provisions of the Employment Standards Act and the overtime entitlement provisions of the Collective Agreement, when affected employees have reached the legislated 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.

I. E. Clement
Plant Manager

P. J. Brennan
Manager
Manufacturing

J. J. Krete
Manager
Human Resources

**Navistar International
Corporation Canada**

Letter No. 88

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: OFFICE SUPPORT FOR SATURDAY PRODUCTION OVERTIME

During the 1996 contract negotiations between Local 127, (Navistar hourly Unit) and Navistar, there was agreement that the Company could schedule mandatory production overtime on a limited number of Saturdays each year (refer to Supplemental Letter #67 "Saturday Overtime Production").

During the 1997 contract negotiations between, Local 35 (Navistar Salaried Unit) and the Company discussions took place relating to the need to occupy some Local 35 positions in support of the truck production on the subject Saturdays.

The conditions applying to the Local 127 agreement that will also apply to this agreement are listed below:

- 1. The Company will give at least 15 working days notice for these scheduled overtime days.**
- 2. The production will run during the working hours of 6:30 am to Noon, unless changed by mutual agreement between the Company and Local 127.**
- 3. There will be not more than 10 of these occasions per calendar year and they will not be scheduled on back-to-back Saturdays, on a contractual holiday weekend or during the months of July and August.**
- 4. In order to ensure that this required Saturday overtime procedure is only used during heavy market demand, it is agreed that this overtime procedure will only be available to the Company when the order board is above 5000 trucks.**

When the subject overtime is scheduled, the Company will identify the areas and the number of Local 35 employees required to support this production. In cases where there are more than one "normal operator" on the position required, the normal provisions for the selection of overtime will prevail. If there are not enough operators to meet the requirements of the production, the junior operators must work.

Yours very truly

**J. J. Krete
Manager
Human Resources**

**Navistar International
Corporation Canada**

Letter No. 89

March 10, 1997

**Mr. J.R. Hind
Chairperson
Local 35, C.A.W.
Navistar Unit**

Dear Mr. Hind:

SUBJECT: "ON THE JOB" TRAINING

During the 1997 contract negotiations the Company and Union discussed the subject of "on the job" training. The parties conducted a group session to identify some of the problems that have adversely affected the subject training in the past. Both parties recognize that the training an employee receives upon entering a new assignment is an important component toward assuring successful performance of the functions of the job.

In recognition of the importance that the Company and Union give this kind of training, they agreed to form a joint committee after the conclusion of negotiations with the following mandates.

- 1) Determine ways to overcome the problems identified during the 1997 negotiations.**
- 2) Determine "what" training (whether skill or process) needs to take place within each department.**
- 3) Determine "how" the training can take place within each department.**
- 4) The development of a method of verification to ensure that an employee who has completed initial "on the job" training is ready to take on the new assignment.**

Yours very truly,

**J. J. Krete
Manager
Human Resources**

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