

Collective Agreement

Between

**DANA CANADA CORP.
Spicer Driveshaft Division, Thorold, Ontario
Structural Solutions Division, Thorold, Ontario**

and

**Local 676 (C.A.W. - Canada)
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada and C.L.C.
June 1, 2004 - May 31, 2007**

01982 (08)

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COLLECTIVE AGREEMENT

Entered into this first day of June, 2004 between Dana Canada Corp., St. Catharines, Ontario, hereinafter referred to as "The Company" which includes Plant II Spicer Driveshaft Division Thorold Plant; and Plant III Structural Solutions Division – Frame Plant, Thorold Ontario.

and

The National Automobile, Aerospace, Transportation and General Workers Union of Canada and C.L.C. and its Local 676, hereinafter referred to as "The Union".

WITNESSETH: The parties hereto mutually agree as follows:

RECOGNITION

1-1

The Company recognizes the Union as the sole collective bargaining representative of all employees or persons in the Bargaining Unit, for the purpose of bargaining in respect to wages, hours and all other working conditions.

(a) Plant Movement

Except where prohibited by law, or previous Agreement with other Unions, whenever the Company transfers operations or departments from any plant covered by this agreement to a plant which is newly acquired or built by the Company, employees engaged on such operations or employed in such departments may, as they so desire, be transferred to the new plant with their full Company seniority.

(b) Moving Allowance

Transfer moving allowance: any employee who is on the active employment rolls and is offered and accepts a transfer from one plant to another plant, under the Plant Movement Section, will be paid a moving allowance provided:

1. The new plant location is at least eighty (80) kilometers from the plant at which he/she last worked and he/she moves his/her residence as a result of such relocation, and
2. His/her application is received by the Company within six (6) months after commencing employment at the new plant.

(c) Amount of Moving Allowance

The amount of moving allowance will be the amount shown in the following table:

Kilometers Between Plant Locations	Amount
80-159	\$2,360.00
160-479	2,600.00
480-799	2,720.00

800-1,599	3,200.00
1,600 or more	3,700.00

1-2

The Bargaining Unit shall consist of all hourly rated employees, all persons laid off with seniority rights to recall after layoff, and all persons with seniority on authorized leave of absence, in the Company's plants, with the exception of supervisors and those above the rank of supervisor, time study person, draftspersons, tool designers, industrial security guards, staff trainees, salaried and office workers.

1-3

For the purpose of this Agreement, an employee is a person who is receiving wages for performing work for the Company except those persons excluded under Clause 9-20.

Throughout this Agreement, the masculine personal pronouns are applicable to all employees, male or female.

1-4

The Company may assign a reasonable number of staff trainees to work at Bargaining Unit jobs for training purposes. No Bargaining Unit employee shall be laid off as a result thereof.

RESERVATIONS TO MANAGEMENT

2-1

The Union recognizes the right of the Company to hire, promote, demote, transfer, discipline, suspend, or discharge any employee for just cause, subject to the rights of the employee under the grievance procedure as provided in this Agreement.

2-2

The Union further recognizes the undisputed right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities. The products to be manufactured, the schedules of production, the methods, processes, and means of manufacturing are exclusively the responsibility of the Company.

2-3

The Company also has the right to make and alter rules to be observed by all employees. Such rules shall not be inconsistent with the provisions of this Agreement. When rules are instituted or altered, the Union shall be notified prior to their effective date. Penalties arising out of the violation of plant rules will be subject to the rights of the employee under the grievance procedure as provided in this Agreement. Letters of warning for the violation of plant rules shall be void twelve months after the date of issue except those issued relative to alcohol and/or substance abuse (22-4-2) and absenteeism resulting from alcohol and/or substance abuse which shall be void twenty-four months after the date of issue. Time off work on WSIB and STD will not be counted in the 12 and 24 month voiding of disciplinary action. Once void, a written disciplinary record will not be used at any point of the grievance procedure providing no active complaint or grievance is being processed at expiration time.

UNION MEMBERSHIP AND DEDUCTION OF DUES AND ASSESSMENTS

3-1

All employees presently employed, and all new employees covered by this Agreement shall become or remain a member of the Union to the extent of paying the amount of dues uniformly required as a condition of acquiring or retaining membership in the Union, so long as he/she remains in the bargaining unit.

3-2

In accordance with Clause 3 -1, the Company will deduct such amounts as are authorized in writing by the Financial Secretary of Local 676. Dues are payable after 40 hours worked in any one month. These amounts will be forwarded to the Union.

Special assessments, assigned by the Union, will be deducted from the employees in equal amounts from the employee's first and third week pays payable, providing there is pay payable in the first and third week.

3-3

Any employee who fails to comply with the foregoing provisions of Clause 3-1 and Clause 3-2 will be considered to have voluntarily quit.

3-4

No partial deductions or deductions for monies in arrears will be made under the provisions of Sections 3-1 and 3-2. All sums deducted under Section 3-2 will be remitted by cheque to the duly authorized official of the Union not later than the twentieth (20th) day of the month in which the deductions are made together with a list of the employees' deductions. Any deductions made in error by the Company will be refunded by the Union.

3-5

The Company may cease at any time to make such deductions and remittances if there is a breach of Section 8-1 by members of the bargaining unit. However, this right shall not apply if the Union, through its President or the National Union, through its Regional Director or his/her representative, repudiates in writing such a breach within forty-eight (48) hours of its commencement.

UNION MEETINGS AND LITERATURE

4-1

The Union agrees that none of its members will conduct Union activities or meetings on Company time, or on Company property, except as provided for in this Agreement.

4-1(a)

The Union may, after receiving permission from the Company, conduct plant gate collections, providing a member of Local 676 is in attendance at the gate collection. The Company agrees that permission will not unreasonably be withheld.

4-2

Items of Union literature to be distributed or posted on Company premises must have the prior approval of the Human Resources Manager. Union notices will be posted on the two (2) bulletin boards in each Plant, provided and located by the Company, and maintained in an orderly and up-to-date manner by the Union.

In addition there will be one (1) social board in each plant, provided and located by the Company, for the use of employees for the posting of sundry notices.

UNION REPRESENTATION AND WAGE RATES

5-1

The Company will recognize a Plant Negotiating Committee of fourteen (14) employees including the full-time chairperson elected by the Union in a manner determined by the Union.. The Union will notify the Company of the names of these committeepersons. Not more than seven (7) members of the Committee shall meet with Management at any one time.

When more than one (1) member of the seven (7) Committeepersons who meet with Management are from the same department, they may be assigned to different shifts at the discretion of the Company when Union activities interfere with their job performance.

The Company will recognize one (1) full-time Union Chairperson, elected by the Union in a manner determined by the Union. This chairperson will be paid by the Company on the basis of a regular work day and will receive the highest negotiated rate from either plant effective with the next election.

For the purpose of representation, the full-time chairperson shall be assigned to the day shift and shall be entitled to weekend over- time pay, consisting of four (4) hours pay for each day, at the applicable rate, whenever more than 10% of the employees in the plants are at work.

The Company will also recognize two (2) committeepersons, designated by the Union as Plant Chairperson, one from each of Plants II and III, elected by the Union in a manner determined by the Union. If the plant population drops below 125 union members, the plant chairperson shall be allowed 4 hours per day to complete his union duties. Effective with the next election, the Plant Chairpersons will receive the highest negotiated rate in their respective plants.

The Plant Chairperson shall be entitled to weekend overtime pay, consisting of three (3) hours pay, each day (Saturday and Sunday) at the applicable rate, whenever ten (10) percent of the employees in their respective plant are at work on that particular day.

During the vacation shut-down, should employees be required to work, the Company will endeavor to ensure Union representation is available in the plant concerned.

5-2

The Union may appoint employees as Stewards in a ratio of one employee to every thirty (30) employees, or fraction thereof, in the Bargaining Unit. The Union shall notify the Company in writing of the names of the stewards and the zones and department(s) they represent.

(See letter #3.)

5-3

Stewards and Committeepersons shall be allowed legitimate time from their duties to investigate and process grievances, after receiving the approval of their supervisors. When the supervisor considers that the time so used is of more than a fair duration, he/she may decline to approve payment for the excess.

The Company will provide day jobs for two (2) plant chairpersons to be designated by the Union, one (1) each in Plant II and Plant III. The Company will provide day jobs for two (2) additional Committee people, one (1) from each of the plants - II and III, plus one (1) skilled trades Chair person designated by the Union. The Company will provide a day job for the president of the Union in his/her respective plant. The President shall have the same rights and duties as a Committee person.

5-4

A Steward or Committeeperson shall secure the permission of the Supervisor concerned when entering a department other than his/her own.

5-5

A meeting between the Committee and Management will be held each week, where possible, to discuss unresolved grievances. The parties will exchange an agenda of items to be discussed three (3) work days in advance of the meeting. The Union will submit its agenda to the Human Resources Manager and the Company will submit its agenda to the full-time chairperson. Management will be represented at this meeting by the Human Resources Manager or other representative and the Division Manager concerned or his/her representative.

5-6

Committeepersons or Stewards, while investigating or processing grievances or conducting negotiations during working hours, shall be paid at:

- (a) Their regular rate, if day workers;
- (b) Code 42DW, if incentive workers;
- (c) Committeepersons and Stewards will be paid at the rate of their average earnings when attending negotiations and grievance meetings with Management. The average earned rate will be calculated based on a year-to-date average beginning June 1 each year up to the end of the prior pay period. This calculated average will be increased by any applicable wage adjustments in effect at the time of calculation.

5-7

Any member of the Bargaining Committee, while investigating or processing grievances or conducting negotiations during working hours, shall be paid at their Y.T.D.A.

The Company also agrees that the Bargaining Committee may have present at the grievance meetings, if necessary, one (1) grievor per grievance and one (1) Steward or Committeeperson involved. However, should other employees involved in the grievance be required at the grievance meetings they may be present only by mutual agreement. The Company agrees that they shall not unreasonably withhold permission for these individuals to attend. These employees will be paid at straight time for time so spent at these meetings as per the following:

- (a) Regular rate if a day worker;
- (b) Code 42 if an incentive worker.

5-8

At any meeting with Management the Negotiating Committee may have present: the President, the Regional Director of the C.A.W., Representatives of the National Union and/or any employee involved in a grievance under discussion. The Company may have present persons other than Management personnel.

5-9

Any member of the Plant Negotiating Committee after obtaining permission from Management may enter the plant at any time for any good reason relating to the performance or application of any of the provisions of this Agreement. The committee member may be accompanied by a representative of the Company.

COMPANY REPRESENTATIVES

6-1

All supervisors have the authority to handle grievances at the appropriate steps of the grievance procedure except for policy grievances as referred to in Clause 7-3.

GRIEVANCE PROCEDURE

7-1

An employee who has a complaint which is not satisfied by discussion with his/her supervisor shall file a written grievance on the form supplied by the Company. An employee may be accompanied by his/her Steward or Committeeperson from his/her department or zone when he/she discusses a complaint with his/her supervisor. Grievances shall be investigated or processed during working hours.

7-2

1st Stage - If a complaint or grievance, following the discussion with the supervisor, is not satisfactorily adjusted by the supervisor it will be submitted in writing on the proper form to the supervisor by the employee or his/her Union representative.

The supervisor shall reply in writing on the proper form within forty-eight (48) hours (excluding non-working days) after the receipt of the written grievance.

7-3

(a) 2nd Stage - if the grievance is still in dispute following the supervisor's reply it will be placed on the meeting agenda in accordance with Section 5-5. A written decision will be sent to the Committee Chairperson within three (3) work days following the meeting. When it is evident that a grievance is of such a nature that it is beyond the jurisdiction of a Section Manager, the committee may present such a grievance directly to Management as a policy grievance and it will be placed on the agenda in accordance with Section 5-5.

Grievances submitted by the Company will be placed on the agenda in accordance with Clause 5-5.

(b) 3rd Stage - If the grievance is still in dispute following the written reply of the Company at the second (2nd) stage it may be advanced to the third (3rd) stage and it will be placed on the agenda in accordance with Section 5-5.

7-4

4th Stage - Failing settlement, either party may notify the other in writing of its intention to submit the grievance to arbitration and shall nominate an arbitrator. If the two parties do not agree upon an arbitrator within five (5) days of the notice, either party may request the Minister of Labour for Ontario to appoint an arbitrator.

If arbitration is to be invoked, the request for arbitration in writing will be made to the Company within five (5) working days following the delivery of the decision to the Union following step 3 of the grievance procedure.

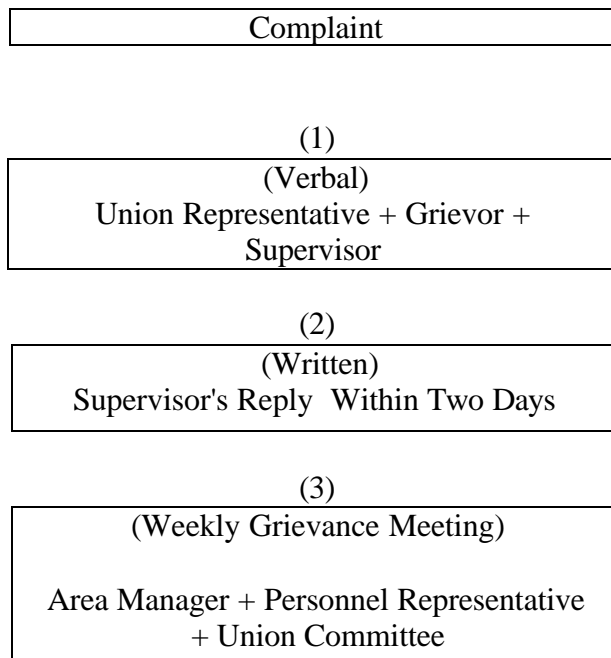
Grievances referred to arbitration shall have priority in the following order:

- (1) Discharge,
- (2) Suspension,
- (3) Policy,
- (4) Regular.

If the agreed upon arbitrator cannot conduct a hearing within thirty (30) days, another arbitrator shall be selected by the parties. It is anticipated that the arbitrator will submit an award within thirty (30) days from the date of the hearing.

7-4

GRIEVANCE PROCEDURE



(4)

Grievance Commissioner or Arbitration

7-5

A grievance shall not be arbitrable unless it involves the interpretation, application, administration, or alleged violation of the Agreement. The arbitrator shall determine on this basis whether a grievance is arbitrable. The arbitrator shall not alter, add to, subtract from, modify, or amend any part of this Agreement and shall make no finding which is not supported by interpretation of the specific words in this Agreement. In respect to penalties involved, he/she shall be entitled to modify or set aside such penalties if, in his/her opinion, it is just and equitable to do so.

7-6

All decisions of the arbitrator arrived at in accordance with the provisions of this Agreement shall be final and binding upon the Company, the Union, and all persons concerned.

7-7

The expenses of the arbitrator shall be shared equally by the Company and the Union.

7-8

A suspended employee or discharged person, his/her Committee person, and/or the Union President shall have the opportunity of meeting the Human Resources Manager or his/her representative as soon as possible after the suspension or discharge.

7-9

If a suspended employee or discharged person wishes to present a grievance against his/her suspension or discharge, he/she shall, through the committee, present it to Management within two (2) scheduled working days after written notification to, the employee or person and the committee of his/her suspension or discharge. Management shall render a decision to the Committee Chairperson within two (2) working days of the submission. If the decision is unsatisfactory, the grievance may be submitted to arbitration.

7-10

A grievance involving the suspension or discharge of any employee may be disposed of by the Company and the Committee, or by the arbitrator, by confirming the Company's decision to suspend or discharge the employee, or by reinstating the employee or discharged person with full seniority rights and compensation of lost earnings, if an incentive worker at his/her year to date average, or by any other arrangement which is just and equitable.

7-11

A person who has been laid off out of seniority in violation of this agreement shall be paid for the time lost as a result of such layoff if he/she presents his/her grievance within five (5) working days after his/her layoff. If he/she fails to submit a grievance within five (5) working days he/she shall be paid only from the time of submitting the grievance. Incentive workers shall be paid at their year to date average.

7-12

Grievances concerning production standards shall be filed and processed in accordance with Section 14-8 and 14-9.

7-13

The Company shall not be required to pay any claims or make any adjustments retroactive for more than sixty (60) days prior to the date of the submission of a grievance.

7-14

Unless a grievance is advanced to the next stage of the grievance procedure within five (5) working days following the delivery of an answer, it shall be considered to have been settled.

(See letter #6).

STRIKES AND LOCKOUTS**8-1**

The Union agrees that there shall be no strike, work stoppage, or slowdown of work so long as this Agreement continues to operate.

(See letter #17).

8-2

The Company agrees that there shall be no lockout so long as this Agreement continues to operate.

8-3

In the event of a strike involving members of the Bargaining Unit, the Union will assist in ensuring that visitors, supervisors, those above the rank of supervisor, timestudy persons, draftspersons, tool designers, industrial security guards, staff trainees, salaried and office workers, and employees required for emergency repairs are permitted free and unobstructed passage into and out of the company's premises. The Union will also assist in ensuring that the maintenance employees mentioned above report for work and perform their regular duties to which they are assigned.

8-4

If during a strike the Company attempts to use employees outside the bargaining unit to do work on operations usually performed by members of the Bargaining Unit who are on strike, or attempts to use maintenance employees mentioned in section 8-3 on work other than that for which they are permitted free and unobstructed passage into and out of the Company's premises, the Union shall no longer be bound by the provision of Section 8-3. The company will allow two accredited representatives of the Union to make tours of inspection at any time to ensure that this provision is not being violated. However, if the dispute is in violation of Section 8-1, the Company shall not be bound by the provisions of this Section.

8-5

The Union further agrees it will assist in ensuring that no work stoppage will result in the Company's plants from any dispute which may arise between any other employer and its employees.

SENIORITY - General

9-1

A probationary employee is an employee who has not acquired seniority, or is an employee who has lost his/her seniority rights to recall and has been rehired.

9-2

A probationary employee shall acquire seniority by working forty-five (45) full-shift days during a period of six (6) months in which event his/her seniority shall date back forty-five (45) working days from the date seniority is acquired. In no case will an employee's seniority date be a date prior to his/her service date.

(a) If the Company schedules a shift of less than eight (8) hours, it shall be considered a full shift for the purpose of acquiring seniority.

9-3

No allowance will be made for absence due to illness or other causes except for bereavement, as outlined in 9-31(b) (any time off is without pay). A probationary employee may be released at the discretion of the Company.

9-4

Provisions governing skilled trades seniority in the skilled trades classification are set forth in the Appendices 1 and 2.

9-5

Current seniority lists showing the seniority of each employee within the appropriate categories shall be maintained in the Personnel Office. Any union representative may make inquiries regarding seniority issues.

9-6

The Company will issue Company wide and plant seniority lists in four copies to the Chairperson of the Negotiating Committee. One list will show skilled trades classifications Company wide and the Chairperson will be notified weekly of any revisions.

9-7

When manufacturing processes, machines, or fixtures move from department to department within the Company's plants II or III, the personnel so employed may move with the process, machine or fixtures, or exercise their seniority as per clause 9-12 "A" through "E".

9-8

For purpose of seniority under this Agreement, employees in the Bargaining Unit shall be divided into Departments, groups, Classifications and Plants.

(a) A "Department" shall be a collection of employees as agreed between the Company and the Union, and shall be formed into groups as follows.

Plant II

Group Department

1	211	Miscellaneous Kit Assembly
2	222	Upsetter Dept.
3	233	Journals
	234	Sleeve Yokes, Cast & Steel
	235	Light & Medium Ball Yokes
	236	Stub Shafts
4	241	Inspection
5	251	Stockmover/Shipper/Receiver/Storekeeper
	253	Sweeper/Labourer/Oiler

Plant III

Group Department

1	311	Ford Mainline
	314	Paint Shop
		Paint Shop General
		Stacker
		Yard Repair
	315	Paint Shop
		Trackmobile
		Hyster
		Crane
		Yard Crew
2	321	Sesco
	322	Press Department, Heating & Shears
3	331	Inspection
4	341	Stockmover/Shipper/Receiver/Storekeeper
	343	Sweeper/Labourer/Oiler

(b) A "Classification" shall be a collection of employees who do similar work regardless of their department or group.

Classifications shall be as follows:

- (1) Machine Operators, Spicer Driveshaft, Thorold Plant
- (2) Machine Operators, Structural Solutions, Thorold Frame Plant
- (3) Inspectors and Quality Control
- (4) Oilers
- (5) Shippers/Receivers/Stockmovers and Storekeepers
- (6) Sweepers and Labourers

(c) "Plants" shall be the Company's Plant II, Thorold; Plant III, Thorold.

- (d) An employee being laid off from a non-productive non- skilled classification may elect to take a voluntary layoff from the non-productive department in his/her respective plant, or exercise his/her seniority plant-wide within his/her classification. An employee electing to take a voluntary layoff will be subject to the terms and provisions of Clause 9-16.

9-9

An employee who exercises his/her seniority as a result of a temporary layoff must have had experience on similar work to insure his/her being able to perform the job he/she claims, or take the layoff.

9-10

(a) An employee who exercises his/her seniority as a result of an extended layoff must be capable of doing the work to which he/she is assigned in a satisfactory manner. However, he/she shall be allowed a reasonable time to become proficient in his/her new job.

(b) Should the low seniority job within the plant be of such a nature that it would be impractical for the average employee to exercise his/her seniority rights, then this job may, by mutual agreement, be by-passed subject to the grievance procedure.

9-11

A temporary layoff is one which is not expected to last more than ten (10) working days. Seniority shall be exercised in accordance with the following schedule:

- (a) Layoffs not exceeding beyond the balance of the shift being worked - no seniority shall be exercised.
- (b) When layoffs under Clause 9-11 (a) occur more than once in a pay period, or in layoffs of more than the balance of the shift but not in excess of five (5) working days, the employee shall have the right to exercise his/her seniority within the Department.
- (c) Layoffs of more than five (5) working days but not in excess of ten (10) working days, the junior employee in the Department shall have the right to exercise his/her seniority within his/her Group.
- (d) The junior employee affected by Clause 9-11 (c) shall have the right to exercise his/her seniority within his/her Classification in his/her respective plant.

9-12

An extended layoff is one which is expected to exceed, or which exceeds ten (10) working days, unless the layoff is occasioned by a labour dispute. Seniority will be exercised in accordance with the following schedule:

- (a) An employee having the least seniority shall be displaced from his/her Department.
- (b) An employee displaced from his/her Department may displace the employee having the least seniority in his/her Group.
- (c) An employee displaced from his/her Group may displace the employee having the least seniority in his/her Classification.

- (d) An employee displaced from his/her Classification may displace the employee having the least seniority in the plants.
- (e) An employee who is laid off must report to the personnel office prior to the last shift worked.

9-13

The Company shall have a reasonable time to make transfers and layoffs resulting from the exercising of seniority. When it appears that the exercising of seniority would not extend their employment more than five (5) working days, the Company may lay off employees out of seniority.

9-14

In the event of an extended layoff, the Company will give the employee (including employees recalled temporarily) to be laid off the maximum possible notice, with a minimum of three (3) full working days. Employees who have the right to displace employees with less seniority but who decide to take a voluntary layoff shall not be entitled to notice beyond the end of the shift in which they are notified. An employee who works ten (10) days subsequent to receiving notice shall be given a further minimum of three (3) days' notice.

All layoffs will be posted on the bulletin boards and will comply with the Employment Standards Act.

9-15

An employee laid off out of seniority shall have recourse to the grievance procedure as set out in Section 7-11, except as limited by Section 9-13.

Voluntary Layoff

9-16

An employee who does not choose to exercise his/her seniority rights as provided for, may take a voluntary layoff and become a person with seniority rights to recall after layoff to his/her Department, Group or Classification. Employees will be allowed twenty-four (24) hours from notification of layoff to decide if they are going to elect "voluntary". The twenty-four hours are not a job trial period. The Company shall not be obliged to recall such a person unless it is expected that the work will last, or does last, at least (5) working days. A person with recall rights after layoff who has been on voluntary layoff for more than fifteen (15) days may, by written application, have his/her name placed on the general recall list in accordance with his/her seniority.

A person on voluntary layoff from a Department, Group or Classification which is discontinued by the Company will be placed on the general recall list and become subject to the terms of the recall provisions.

When a layoff is the result of discontinuing a Department, Group, Classification or Plant, the employees affected may not take a voluntary layoff from the Department, Group, Classification or Plant affected. Clause 9-12 will apply.

Inverse Seniority Layoff

9-16

- (a) Layoff by inverse seniority will be applied to any scheduled layoff. Inverse seniority layoffs may not be applied until all probationary employees and employees with less than one (1) year's seniority within the Department concerned have been laid off by standard layoff procedures.

If the necessary number required to reduce the work force within the Department is not secured by the layoff of probationary employees and employees with less than one (1) year's seniority, employees within the Department who have elected inverse seniority will then be laid off in descending seniority order.

If the necessary number required to reduce the work force is still not secured, standard layoff procedures will be applied to the remaining employees within the Department. Should this result in employees on inverse seniority layoff being junior in seniority to those laid off by standard procedures within that particular layoff, such employees must take standard layoff regardless of their written intent for inverse seniority layoff.

- (b) Any permanent employee with more than one year's seniority desiring to elect layoff by inverse seniority may do so by signing a form provided by the personnel office at least six (6) calendar days prior to the date of notice of layoff.

Once an employee has taken an inverse seniority layoff, he/she must re-apply for an additional inverse layoff.

Any employee wishing to cancel their application for inverse seniority must do so by signing the appropriate form provided by the Personnel Office at least six (6) calendar days prior to the date of notice of layoff.

Any application or cancellation of inverse seniority that has not been made at least six (6) calendar days prior to the date of notice of layoff will not be effective for that particular layoff.

- (c) Employees who are laid off by inverse seniority will return to work only after a maximum of thirteen (13) calendar weeks unless recalled permanently by the Company within that time.

Employees who return from inverse seniority will not be eligible for inverse seniority again until their benefits have been restored (The first day of the following month). When permanent recall occurs, employees laid off by inverse seniority will be the first recalled, in ascending order of seniority, followed by those on standard layoff. Whenever possible, employees will return to the job that they were performing prior to layoff.

Should a layoff for which inverse seniority has been applied extend beyond the thirteen (13) calendar weeks, those on inverse seniority layoff will be returned to work at the end of the thirteen (13) calendar weeks and standard layoff procedures will then apply. The Company will require a reasonable length of time in which to arrange the standard layoff prior to the return of those on inverse seniority layoff.

Should a further extended layoff occur while employees are on inverse seniority that would place those employees on inverse seniority out of seniority in his/her

department, group or classification, the employee so affected will automatically be placed on the layoff list and will be subject to the Layoff Clauses of the Collective Agreement.

Critical jobs

(d) Critical jobs within each Division will be by-passed for inverse seniority application. Prior to any inverse seniority layoff, the Division's Management concerned and the Union will meet to determine the critical jobs by mutual agreement.

9-17

An employee who is being laid off as the junior employee in the Plant may elect to return only to the Department, Group or Classification from which he/she is being laid off. The provisions for recall from voluntary layoff as outlined in Section 9-16 shall then apply.

Committeeperson

9-18

(a) Regardless of seniority, an employee who is a committeeperson shall be kept at work in his/her department as long as there is work available in his/her department which he/she is willing and able to do. If no such work is available in his/her department, he/she shall have the same privilege in his/her elected district.

In the event of a temporary layoff, a committeeperson, if he/she so desires, may elect to take a voluntary layoff as per Clause 9-11.

Regardless of seniority, the Plant Chairperson in each plant shall be kept at work in his/her department, as long as there is work that he/she is willing and able to do. If no such work is available in his/her department, he/she will exercise his/her privilege in the following order:

- (1) Open job within his/her respective plant.
- (2) Displace the employee with the least seniority in his/her Classification within his/her respective Plant.
- (3) Displace the employee with the least seniority within his/her respective plant.
- (4) In the event of a temporary layoff, the Plant Chairperson, if he/she so desires, may elect to take a voluntary layoff as per Clause 9-11.

Regardless of seniority, the Union President shall also be able to exercise his/her privilege in the same order as the Plant Chairperson. In addition to (1), (2), (3) and (4) above, he/she will also be able to exercise his/her privilege as follows:

- (5) Displace the employee with the least seniority plants wide.

Regardless of seniority, the full-time Bargaining Chairperson shall be kept at work as long as any employees are working in any of the Company's Plants covered by this Agreement.

(b) Any member of the Bargaining Unit holding a Union Office cannot accept a position with Management during the term of the office he/she was elected or appointed for unless he/she forfeits his/her seniority.

Disabled employee

9-19

It is mutually agreed between the Company and the Union that exception to the seniority provisions of this Agreement shall be made in favour of an employee who:

- (a) Has suffered a major compensable disability, while in the employ of the Company, in the form of a major amputation which limits his/her ability to perform his/her normal job; (An open job shall not be posted when the next person on layoff with seniority rights to recall after layoff has been recognized as meeting the requirements of Clause 9-19).
- (b) Has suffered a major disability, either through injury or illness while in the employ of the Company, which limits his/her ability to perform his/her normal job.

This disability and inability to perform must be satisfactorily documented by his/her physician in conjunction with the WSIB or Insurance Carrier.

Such an employee shall identify the jobs he/she can perform in the Structural Solutions, Thorold Frame Plant & Spicer Driveshaft Thorold Plant and shall be considered to have bid on these jobs. He/she shall be given preference over other employees bidding, regardless of their seniority on the second job posting, providing he/she can fulfill the requirements of the job. If successful, he/she shall be deemed to have accepted.

An employee so placed under Clause 9-19 cannot subsequently leave the position by use of Clause 9-41 without satisfactory medical evidence in writing from the attending physician. An employee who obtains this permission shall forfeit all rights of job bidding under Clause 9-19 and shall be considered a normal employee.

Should an employee, who has been laid off as a 9-19 employee, be eligible for recall to a job which does not fall within his/her restrictions, he/she shall be by-passed until such time as a job becomes open which falls within his/her limitations. The above will not apply to those employees who are employed out of seniority (see Letter #36).

Employee Transferred Out of the Bargaining Unit

9-20

An employee who accepts a position outside the Bargaining Unit in the Thorold Plants will maintain, but not accumulate, seniority for a period of six (6) months following his/her transfer outside the Bargaining Unit, and will forfeit his/her seniority at the end of this period.

Should an employee accept a transfer from the Bargaining Unit to Management in the Thorold Plants, it will be for a period of at least sixty (60) working days. During this period, the employee will be considered on Management Staff and not in the Bargaining Unit and will not accumulate seniority.

Any employee returned to the Bargaining Unit shall displace the junior employee in his/her former classification or plant wherever seniority is applicable.

- (a) An employee shall not be returned to the Bargaining Unit to protect another employee with less seniority. Once a supervisor returns to the Bargaining Unit and accepts another position with Management, he/she shall forfeit all seniority.
- (b) Before leaving the bargaining unit, an employee must sign a letter which states he/she fully understands this clause (see SC Letter #12).

Key Personnel

9-22

In the event of a layoff it may be necessary, by mutual agreement, to retain certain key personnel to maintain the successful operation of the plant. The Company shall have the right to retain or recall out of seniority those employees or those persons with seniority rights to recall after layoff as may be agreed upon by the Company and the Bargaining Committee.

Recall

9-23

Persons on layoff with seniority rights to recall after layoff shall be recalled in order of seniority.

9-24

The following regulations shall apply to recall:

- (a) The Company shall notify the person who has seniority rights to recall after layoff. The notice shall also indicate if the work is assumed by the Company to be of a temporary nature.
- (b) The person who has seniority rights to recall after layoff shall within two (2) scheduled working days of the dispatch of the notice of recall, advise the Company of his/her intention to return to work.
- (c) Within five (5) scheduled working days of the dispatch of the notice of recall, the person who has seniority rights to recall after layoff shall return to work.
- (d) A person not recalled in line with seniority shall have re-course to the grievance procedure.

9-25

Failing to comply with the recall provisions or provide a satisfactory reason for such failure shall result in the loss of seniority and employment. Proof of notice shall consist of a registered letter mailed or a personal delivery to the address as recorded in the Personnel Office records of the person with seniority rights to recall after layoff.

9-26

When a recall is required immediately, the Company may recall the first person on layoff with seniority rights to recall after layoff who is available in line of seniority on the basis that he/she will remain on the job only until the person entitled to the job by seniority reports for work. The person on layoff with seniority rights to recall after layoff who is entitled to the job must give the Company two (2) days notice of his/her intention to return to work.

By-pass of Recall

9-27

No loss of seniority shall be incurred if a person on layoff with seniority rights to recall after layoff refuses recall because the job to which he/she is being recalled is assumed by the company to be of a temporary nature. A person so by-passed shall continue to be by-passed on jobs which are assumed by the Company to be of a temporary nature and shall not be entitled to return until he/she notifies the Company of his/her intention to return and there is a further job opening. He/she shall not be entitled to return by displacing an employee with less seniority who has returned while he/she was by-passed. This Clause shall not apply to recall to jobs other than those assumed by the Company to be of a temporary nature.

Loss of Seniority**9-28**

An employee or a person with seniority rights to recall after layoff shall lose his/her seniority and employment for any of the following reasons:

- (a) If he/she quits.
- (b) If he/she is discharged and the discharge is not reversed.
- (c) If he/she is absent from work for more than one (1) scheduled work day without notifying the personnel office or if he/she fails to produce satisfactory evidence (when required) to justify absence of more than three (3) days.
- (d) If he/she fails to meet the requirements of the recall procedure.
- (e) If he/she is continuously absent from work for any reason (except when he/she is on authorized leave of absence) for a period equal to his/her seniority at the time he/she last worked.
- (f) On retirement, in accordance with the provisions of the Pension Agreement.
- (g) 12 months after completion of a WSIB Labour Market Re-entry Program.

Leave of Absence**9-29**

A person with seniority rights on authorized leave of absence shall accumulate seniority during such absence provided he/she reports for work at the expiration of his/her authorized leave. He/she shall not accumulate or receive pension credits (except as provided in section 9-30, 9-31, 9-35 and 9-36), vacation pay credits (except as provided in Section 9-30 and 9-31), holiday pay (except as provided in Section 12-4 and 12-5), nor shall the Company contribute to his/her insurance except as provided in Section 17-4. A person who fails to report for work within the three (3) consecutively scheduled working days following the expiration of his/her authorized leave shall be deemed to have voluntarily quit unless he/she submits supporting evidence for his/her failure to report for work.

(See letter #18).

9-30

A person who is absent from work as a result of a compensable accident or compensable sickness incurred as an employee of the Company shall be considered to be a person on authorized leave of absence who shall accumulate pension credits, vacation credits (provided he/she worked during the vacation year), and seniority to which he/she is entitled during such absence. For the purpose of this agreement "compensable" shall mean compensable under the Workplace Safety & Insurance Board.

9-31

- (a) A person who is absent from work for more than three (3) consecutive scheduled working days due to illness shall be considered for the purpose of this Agreement to be a person on authorized leave, provided he/she provides a medical certificate as supporting evidence, and shall accumulate pension credits and vacation credits (provided he/she has worked during the vacation year). He/she shall be granted a leave of absence if required for a period of time equal to but not in excess of the amount of seniority he/she had at the commencement of such illness. Verification of continued illness shall be furnished to the Company upon request.
- (b) The Company will grant to an employee who suffers a death in his/her immediate family, (step-parents, grandparents, grandchildren, brothers, step-brothers, sisters, step-sisters, half-brothers, half-sisters, son's current spouse, daughter's current spouse, current spouse's step-parents, current spouse's grandparents, great grandparents) a leave of absence with full pay for three (3) working days following the death, providing the employee attends the funeral. The bereavement will be taken on consecutive days providing one of the days is the day of the funeral. The Company further agrees to try and accommodate employees who wish to reschedule one day of entitled bereavement for a service to be held at a later date. The Company may request proof of such a service. A three (3) day bereavement leave will be granted to an employee whose brother or sister, has died overseas, provided the employee presents proof of death.

The Company will grant five (5) days bereavement leave for the death of a member of the immediate family (parents, current spouse's parents, current spouse, children, step-children).

The employee will be paid his/her normal day rate if a day worker, and his/her year to date average if an incentive worker.

An employee who suffers a bereavement during a statutory holiday or scheduled vacation may:

- (i) extend the bereavement leave by one day for the statutory holiday, or
- (ii) extend the scheduled vacation by up to three (3) days or five (5) days where applicable.

In both cases above, the employee must inform the Personnel Department in their division at the time of the bereavement.

- (c) Should an employee be called upon by the Courts to serve on Jury or Witness Duty, he/she shall be granted time off to perform these duties. The employee will be paid day work if a non-productive worker or his/her year to date average if an incentive worker, minus any government fees.

9-32

An employee, upon written application to the Personnel Office and with the approval of his/her supervisor, may be authorized for a leave of absence for personal reasons for a period not to exceed fourteen (14) calendar days.

An employee shall be granted a leave of absence for incarceration to a maximum of one hundred and eighty (180) days, due to a conviction of an offense arising out of the operation of a motor vehicle. He/she shall be returned to his/her former job at the expiration of such leave, provided he/she has the seniority. An application must be made within a reasonable time in advance of the commencement of the leave of absence, except application of compassionate reasons.

Leave of absence for compassionate reasons will not be unreasonably withheld. Employees granted leave shall be considered employees for whom no work is scheduled.

9-33

An employee upon written application may be granted leave of absence for personal reasons for a maximum period of ninety (90) calendar days by the Human Resources Manager, and for the purpose of this Agreement shall be considered to be an employee for whom no work is scheduled.

An employee upon written application to the Human Resources Manager may request a leave of absence for advanced education for a period of one year. A person granted such leave will, during this absence, accumulate seniority, provided he/she reports for work at the expiration of his/her authorized leave. He/she shall not accumulate or receive pension credits, vacation pay, holiday pay, nor shall the Company contribute to his/her insurance plan.

Upon his/her return from such authorized leave, he/she shall be placed on the general recall list, and shall be considered, for the purpose of this Agreement, to be a person on layoff with seniority rights to recall after layoff.

He/she shall be deemed to have voluntarily quit if he/she fails to report at the expiration of his/her authorized leave or if he/she fails to provide evidence of continued attendance at his/her designated institution.

(See letter #14)

9-34

An employee who submits a request to the Human Resources Manager for an extension of his/her leave of absence for personal reasons beyond the original ninety (90) days, and to whom such extension is granted, will be considered, for the purpose of this Agreement, to become, at the conclusion of this extension, a person on general recall with seniority rights to recall after layoff.

9-35

(a) An employee who submits a request to the Human Resources Manager for a leave of absence for any activity exclusively for the Local Union, which shall include the CAW Family Education Center and/or the position of President for Local 676, shall be granted such leave and shall be considered, for the purpose of this Agreement, to become a person on authorized leave of absence who shall accumulate pension credits to which he/she is entitled during such absence. Prior to or at the expiration date of his/her authorized leave, he/she shall be re-employed on his/her own or similar work at his/her request. A maximum

of two (2) employees from any one department may request such leave at any one time. The Company shall be allowed three (3) work days in which to arrange work if the leave of absence is beyond twenty (20) days duration.

- (b) During the life of this Agreement, the Company agrees to pay three cents (\$0.03) per hour per employee into a special fund. As agreed, this fund is to be used for educational purposes. Said monies are to be paid on a quarterly basis into a trust fund established by the National Union, C.A.W. Monies to be sent to Placer Court. Upon written application with the customary notice, employees selected by the Union shall be granted a leave of absence without pay. Such leave will not exceed twenty (20) days class time (plus travel time where necessary) over a twelve (12) month period. The normal rules as per Clause 9-35(a) regarding leave of absence shall apply.

An employee selected by the Union to attend the Advanced Economics Course or any other courses, and who has exhausted the twenty (20) days class time, upon written application with the customary notice to the Company, will be granted an additional ten (10) days leave of absence without pay. This extension is restricted to one employee per twelve (12) month period.

9-36

An employee selected by the local or the National Union for any labour activity other than in the Local Union who submits a request to the Personnel Office for leave of absence for such activity shall be granted such leave and shall be considered for the purpose of this Agreement to become a person on authorized leave of absence who shall accumulate pension credits to which he/she is entitled during such absence. Prior to or at the expiration date of this authorized leave, he/she shall be re-employed on his/her own or similar work at his/her request. A maximum of four (4) employees may request such leave at any one time.

9-37

An employee elected to Public Office who submits a request to the Human Resources Manager for leave of absence for such activity shall be granted such leave for a period of time equal to the term for which he/she is elected and shall be considered, for the purpose of this Agreement, to become a person on authorized leave of absence. He/she shall be re-employed at his/her request at the expiration date of his/her authorized leave on his/her own or similar work. A maximum of two (2) employees may request such leave at any one time.

9-38

An employee or a person on authorized leave of absence for more than ten (10) consecutive scheduled working days must give the Personnel Office notice of his/her intent to return to work three (3) days in advance of his/her return so that work may be scheduled. When an employee or a person on authorized leave of absence fails to comply, and the work is not immediately available, the Personnel Office shall be allowed three (3) days in which to arrange work.

9-39

An employee or a person on authorized leave of absence who takes other employment during a leave of absence shall be deemed to have voluntarily quit except as provided in sections 9-35, 9-36 and 9-37.

9-40

The Union will be advised by the Company of all leaves of absence and the period for which they are granted, with the exception of personal leaves.

Job posting**9-41**

An open job is one for which the Personnel Office needs an employee. An open job shall be considered to be the junior job in the group and as such will be filled by exercising seniority if employees are being laid off concurrently. For employees exercising seniority outside the group or exercising seniority outside their job classification, an open job shall be the junior job.

9-42

Except as limited in Clauses 9-43, 9-44, 9-45 and 9-46, the Personnel Office shall post an open job on the bulletin boards in the two plants for seventy-two (72) hours. The job posting shall state the job classification, supervisor's name and department of the open job, and the date and hour of posting.

Open jobs in the skilled trades, non-productive and productive jobs will be posted in Plants II and III.

Any employee on WSIB or Accident and Sickness benefit may bid on a job posted in the two plants. This employee will be considered the successful bidder providing he/she has the seniority and that he/she has no restrictions to prevent him from performing all the functions of the posted job. Furthermore, he/she will return to work when required.

(See letter #36)

9-43

An open job which is known to be of specifically limited duration will be filled in any manner the Company sees fit. In the event such job ceases to be of limited duration, it shall then be posted. A job which has been vacated in excess of eighteen (18) months due to an employee on WSIB or Sickness or Accident (unless mutually agreed) shall be posted as a permanent job.

When it is anticipated that temporary new work will last more than thirty (30) working days, the Company and the Union shall mutually determine if these temporary jobs should be posted as permanent.

9-44

When an open job which is posted and filled by a successful bidder creates a second open job, the second open job shall also be posted. An open job created as a result of filling the second open job shall not be posted, and shall be filled in any manner the Company sees fit.

9-45

The Company will fill a job in any manner it sees fit when there is no suitable bidder for an open job which has been posted. If a posted job for which there has been no suitable bidder is not filled within thirty (30) days, it will be re-posted at that time.

9-46

An open job shall not be posted:

- (a) When the next person on layoff with seniority rights to recall after layoff was laid off from the same classification as the open job, or
- (b) When the next person on layoff with seniority rights to recall after layoff has been recognized as meeting the requirements of Clause 9-19.

(See letter #36)

Bidding

9-47

Any employee who has six (6) months seniority may bid on the job by completing a job posting application and filing it with his/her Supervisor not later than the expiration of the posting period.

- (a) The successful bidder will not be eligible to bid on any other job, Plants-wide or internal, for three (3) months from the date the posting expires.
- (b) The name and seniority date of the five (5) most senior bidders and the date of the bid shall be posted on the notice board in the Plants.
- (c) The successful bidder who declines the bid will not be eligible to bid on any other job, Plants-wide or internal, for three (3) months from the date the posting expires (see SC Letter #9).

9-48

An employee shall be selected for an eight (8) hour trial period on this basis:

- (a) Seniority,
- (b) Ability to do the work.

9-49

The employee selected shall have an eight (8) hour trial period to demonstrate his/her ability to do the job, and shall be transferred and given the rate of pay for the job when he/she commences his/her trial period. Failing to demonstrate such ability, he/she shall return to his/her former job and rate, and shall not request another transfer for three (3) months. The present job of the employee who is on a trial period shall be filled for the trial period however the Company sees fit.

9-50

The employee who during the eight (8) hour trial period demonstrates his/her ability to do the job shall have an additional three(3) days in which to demonstrate his/her ability to do the job efficiently. Failing to demonstrate such ability, he/she shall return to his/her former job and rate, and shall not request another transfer for three (3) months. In this case another employee who bid on the original posting shall be selected as provided in Section 9-48 and given the same trial period.

9-51

After successfully completing the trial period, the employee shall exercise his/her seniority in line with his/her new job and shall not be eligible for another job bid for three (3) months.

Transfers - General

9-52

Any employee may be temporarily transferred to any job for a maximum period of five (5) days. When such a transfer is made he/she shall be paid the rate for the classification or his/her own day rate, whichever is the higher. Any employee may be temporarily transferred for a maximum period

of thirty (30) days if within the same classification. Temporary transfers shall be made at the discretion of the Company. A temporary transfer shall in no case be considered to be a permanent transfer.

(See letter #16)

9-53

When it is necessary, in an emergency, for the Company to transfer an employee to protect production schedules or quality, the Company shall make such a transfer subject to the Grievance Procedure. When the employee so transferred can be released from the job, he/she shall return to his/her former job.

(See letter #16)

HOURS OF WORK AND PAY

Hours of Work

10-1

The Company recognizes the desirability of scheduling work days consecutively and agrees to schedule work days Monday through Friday except that:

- (a) The Union recognizes that the work of employees in some classifications including Electricians, etc. must have their work days scheduled other than Monday through Friday.
- (b) The Union also recognizes that production requirements or operating conditions will require that work days of other employees be scheduled other than Monday through Friday, but the Company agrees that such scheduling shall be held to a minimum. An employee shall not be required to work more than eight (8) hours in a work day nor more than forty (40) hours in a work week. The Union agrees, however, that there shall be no organized refusal of, or embargo on overtime, and further that the Company has the right to schedule work in excess of eight (8) hours in a work day and forty (40) hours in a work week.

10-2

An employee's work week and pay week will be seven (7) consecutive days beginning on Sunday. Sunday will commence for the purpose of this Agreement at 11:00 p.m. Saturday.

10-3

An employee's work day will consist of twenty-four (24) hours beginning at the starting time of the shift to which he/she is assigned.

10-4

An employee's shift will consist of eight (8) consecutive hours exclusive of lunch periods without pay.

Shift Hours

10-5

The shift hours for a Department will occur between

- (a) First Shift - 7:00 a.m. and 5:00 p.m.
- (b) Second Shift - 3:00 p.m. and 1:00 a.m.
- (c) Third Shift - 11:00 p.m. and 9:00 a.m.

In those plants, where applicable, the work day will commence with the third shift at 11:00 p.m. In plants with the Sunday third shift start up straight time based on 8 hour shifts will be paid for the period 11:00 p.m. Sunday to 11:00 p.m. Friday.

- (i) Time and one-half will be paid for the period 11:00 p.m. Friday to 11:00 p.m. Saturday.
- (ii) Double time will be paid for the period 11:00 p.m. Saturday to 11:00 p.m. Sunday.

Any change in the shift hours will be discussed first with the Union Committee and notice of any change will be given the Union in advance of the change. Any change in shift hours will be made for a minimum of seven (7) calendar days.

Shift Premium Pay

10-6

Any employee scheduled to work in any one of these periods will be paid the shift premium for that shift for all hours worked as follows in cents per hour:

	June 2, 2004	June 1, 2005	June 1, 2006
(a) First Shift	0	0	0
(b) Second Shift	.80	.80	.80
(c) Third Shift	1.00	1.00	1.00

Lunch Periods

10-7

Employees shall be allowed lunch periods as follows:

- (a) An employee scheduled to work eight (8) hours within eight and one-half (8.5) consecutive hours shall be allowed a one-half (.5) hour lunch period without pay.
- (b) An employee scheduled to work eight (8) hours within eight (8) consecutive hours shall be allowed a three-tenths (.3) hour lunch period with pay at his/her regular rate if a day worker or his/her objective rate if an incentive worker. Regular shifts on weekend overtime will be eight (8) hour shifts and three-tenths (.3) hour paid lunch period will apply as above.
- (c) The times for lunch periods may vary from plant to plant, and department to department. The Company will notify the Union of the times during which the lunch periods usually occur and these times will be posted in the plant(s).

(See letter #2)

Wash-up Time

10-8

Employees shall be allowed wash-up time as follows:

- (a) An employee scheduled to work eight (8) hours within eight and one-half (8.5) consecutive hours shall be allowed wash-up time of five (5) minutes at lunch and five (5) minutes at the end of the shift except forge crews who shall be allowed ten (10) minutes at lunch and ten (10) minutes at the end of the shift.
- (b) All employees scheduled to work eight (8) hours within eight (8) consecutive hours shall be allowed wash-up time of five (5) minutes at lunch time and at the end of the shift.

Time allowed for wash-up is included in the personal time allowance as provided in section 14-3 if incentive workers.

Shift Rotation

10-9

Employees working on two (2) or three (3) shift operations shall be rotated at such periods as may be agreed upon between themselves and their supervisors. Any disagreement regarding rotation of shifts shall be subject to the grievance procedure.

- (a) Shift changes will be allowed provided the employees concerned have mutual agreement to change their shifts, are able to perform the work required, and have informed their respective supervisors at least one day in advance of the change. Such employees shall waive all rights to overtime premium which occur as a result of the shift change.
- (b) An employee, after receiving permission from the supervisors involved, may be allowed to change shifts when the employee's job is open on another shift.

The Company agrees that, unless such a change impedes production or does not coincide with the regular continuity of production schedules, permission will not be unreasonably withheld.

The intent is that these shift changes will be used for absences due to vacations, extended sickness, and bereavement leaves - not during periods of casual absences. Such employees shall waive all rights to overtime premium which occur as a result of the shift change.

(See letter #40)

Basis for Computing Pay

10-10

For the purpose of computing pay as provided in this Agreement, an employee will be compensated on the basis of his/her work day. Each work day will be a complete unit and will stand on its own. Overtime rates of pay will not be pyramided. Premium rates of pay will be paid for each hour worked within the designated shifts as outlined in Clause 10 - 6 and will not be pyramided. Employees must swipe in at the beginning of each shift and out at the end of each shift. If the employee fails to swipe, he/she will be recorded as absent for that shift. SDD employees and those Frame Plant employees whose pay is still being calculated from a time card must turn in, at the end of each shift worked, time cards completed as required by the Company. If no time card is turned in, the employee's pay will be calculated at day work for the time worked during the shift. However, he/she will receive any incentive earnings in the next pay period.

10-11

Straight time will be paid for the first eight (8) hours worked in any work day, Monday through Friday, except as otherwise provided in section 10-5,10-12 and 10-13.

10-12

Time and one-half will be paid for:

- (a) All hours worked over eight (8) in the employee's work day except as in 10-13 (d).
- (b) All hours worked on Saturday, as established by the employee's work day.
- (c) All hours worked after recall when the Company sends an employee home before he/she has been permitted to work his/her eight (8) hour shift and then recalls the employee during his/her work day.
- (d) All hours worked in excess of eight (8) hours when an employee through no fault of the Company fails to work his/her eight (8) hour shift and then is called in for additional work

during his/her work day. He/she will be paid straight time for such work until he/she has worked a total of eight (8) hours in his/her work day. For the purpose of overtime in conjunction with this clause, vacation and PPA will be considered the same as working.

- (e) Employees shall receive overtime premium for time worked outside of their regular shift if they are required by the Company to commence either earlier or later than the regular starting time of the shift.

10-13

Double time will be paid for:

- (a) All hours worked on Sunday, as established by the employee's work day.
- (b) All hours worked on a holiday as recognized by this Agreement.
- (c) All hours worked on Saturday in excess of eight (8) hours.
- (d) All hours worked on Monday through Friday in excess of eleven (11) hours.

10-14

For the purpose of section 10-12 and 10-13:

- (a) Time and one-half shall mean one and one-half times -
 - 1. An employee's regular day rate if a day worker.
 - 2. An employee's earned rate if an incentive worker.
- (b) Double time shall mean twice -
 - 1. An employee's regular day rate if a day worker.
 - 2. An employee's earned rate if an incentive worker.

10-15

Equal opportunity shall be given all employees normally performing the work to participate in the overtime providing this is consistent with the continuity of work and the employee does not reach the maximum of 12 hours work in a 24 hour period (with the exception of an extreme emergency, which can be only determined by the plant manager or designate). Master overtime lists will be kept current and posted daily. Current lists will be replaced on the first Monday of June of each year with the new list showing employees with all hours reduced to zero and listed in order of seniority. Overtime will be allocated by seniority until hours have been charged.

If an employee refuses overtime, he/she shall for record purposes be deemed to have worked the number of hours he/she should have worked had he/she accepted. Wherever practical notice of eight (8) hours to be given to the employees so requested to work overtime.

- (a) For the purpose of allotting overtime the following will apply provided the employee has not worked a maximum of 12 hours within his/her 24 hour clock and will have a minimum of 8 hours free from work between shifts.

Step 1 - Employees normally performing the work who have the lowest overtime hours recorded.

Step 2 - Employees in the department concerned who have the lowest overtime hours recorded provided they can perform the work.

Step 3 - Any employees in the classification regardless of the number of overtime hours charged to them.

- (b) Overtime hours will be recorded and charged as follows:

1. All overtime hours, either worked or refused or charged, will be on the basis of hours paid (i.e. - 8 hours at time and one-half, posted as 12 hours - 8 hours at double time posted as 16 hours.)
 2. An employee who refuses the overtime work will be charged with the pay hours available based on a maximum of eight (8) work hours.
 3. An employee who refuses 12 hours shift work will be charged with the overtime hours available.
 4. Call in, outside of shift hours, will be considered over time and posted as refused or worked based on the actual hours paid to the person called in. If the employee entitled to call in overtime cannot be contacted he/she will not be charged with overtime hours.
 5. An employee transferred and returned to his/her former job shall retain the number of hours he/she had prior to the transfer plus the number of hours worked during the transfer. An employee transferred to a new machine, or operation coming into a department shall be charged with the average hours of that department.
A new employee, a transferred employee, or an employee recalled from an extended layoff will be charged with the highest number of overtime hours within the job assigned. The exception will be for employees returning from inverse layoff who will be charged with the hours that were available while on inverse.
 6. Overtime will be offered in keeping with Clause 10 - 15 of the Collective Agreement. However, daily emergency overtime will be offered to the employee on the shift on which the overtime occurs, regardless of his/her number of overtime hours. Weekend overtime will be offered to the employee with the lowest overtime hours as of 3:00 p.m. Wednesday, regardless of the shift.
 7. Employees absent, except for vacation will have all overtime hours that would have been available to them added as if they had been worked.
 8. An employee scheduled to work eight (8) hours over- time who goes home at his/her own request prior to completing the eight (8) hours will be charged for a full shift at overtime hours. If he/she goes home at the company's request he/she will be charged with the actual overtime hours paid.
 9. An employee who refuses overtime offered will not be charged if the overtime offered is in a department other than his/her own.
- (c) In the event that an employee who is scheduled to work overtime on either Saturday or Sunday fails to notify the Company one hour in advance that he/she will not be reporting for work, he/she will be penalized to the extent of being charged double the amount of overtime hours he/she was originally to be charged had he/she worked. It is understood that if the employee is incapacitated by substantiated sickness or an accident which necessitates his/her absence then the above penalty will not apply.
- (d) Incentive workers who receive redress for a settlement of an overtime grievance will be paid their year to date average or the appropriate day work rate based on the actual overtime job entitlement.
- (e) All statutory holidays under this Agreement shall be considered overtime days and overtime shall be offered in accordance with clause 10-15 of the Collective Agreement.

Statutory holidays, except Christmas shutdown holidays, will be considered weekend overtime when they occur on a Monday or Friday.

(See letter #12).

Call in Pay

10-16

An employee called in who reports for emergency work outside of his/her shift shall receive a minimum of two (2) hours emergency call-in pay at the overtime rate, and shall have the option of completing four (4) hours work providing call-in hours do not overlap the employee's shift hours.

10-17

Any employee or person reporting for work at his/her starting time, not having been notified at least eight (8) hours previously not to do so shall be guaranteed four (4) hours pay. The Company may use such employees on any work they are capable of performing. Any employee refusing the work assigned shall sign a waiver of his/her right to call-in pay. An employee or a person shall not be entitled to call-in pay because he/she did not receive the eight (8) hours notice due to his/her absence at the time notice was being given, unless he/she has notified the company of the time he/she intends to return to work under the provisions of section 9-38.

Reduction of Operations

10-18

The Company may temporarily reduce scheduled operations before it is required to lay off employees. The Company agrees to make every effort to accumulate temporary reductions into consecutive days.

Such reduction shall not exceed, in any department, a total of fifteen (15) working days in six (6) consecutive months commencing the date of the first reduction of operation.

This shall not be extended unless the Company and the Union have made a written agreement.

10-19

In the event of a reduction of scheduled operations, it may be necessary because of customer requirements to continue to operate individual departments or operations.

WAGE RATES AND METHOD OF PAYMENT

WAGE RATES

11-1

The job classification and wage rates set forth in Appendix 4 shall be effective during the term of the Agreement.

(See letter #41).

11-2

During the taking of inventory, employees required to do the inventory work will be paid at:

- (a) Their regular day rate, if non-production employees,

(b) The rate of stockmovers, if production employees.

During the taking of inventory, stockmovers and inspectors will be given preference to perform the work in their respective areas. When additional employees are required and the stockmover and inspection classification in the plant has been utilized, the low overtime employees in the department concerned shall be given the opportunity to work providing they can perform the work.

However, during a lay-off, the senior employees, rather than the low-overtime employees, in the department concerned shall be retained providing they can perform the work.

Method of payment

11-3

Employees will be paid by a supervisor during their shift to which they are assigned on Friday of each week for the pay period ending seven (7) days previously. Employees on swing shifts or second and third shifts will be paid on Thursday.

11-4

All other persons may receive the pay to which they are entitled from the appropriate Personnel Department on the day specified in section 11-3.

Holidays

12-1

Should a statutory holiday not fall on a Monday or Friday, the Company and the Union will jointly apply to the Employment Standards Branch of the Ministry of Labour to request that it be recognized on a Monday or Friday as mutually agreed.

For the purpose of this Agreement, the following are recognized as holidays:

1ST YEAR

- | | | |
|-----|------------------------------|---------------------------------|
| 1. | Friday, July 2, 2004 | Canada Day |
| 2. | Friday, September 3, 2004 | Friday preceding Labour Day |
| 3. | Monday, September 6, 2004 | Labour Day |
| 4. | Friday, October 8, 2004 | Friday preceding Thanksgiving |
| 5. | Monday, October 11, 2004 | Thanksgiving Day |
| 6. | Sunday, December 5, 2004 * | Bonus Sunday * |
| 7. | Friday, December 24, 2004 | Christmas Holiday |
| 8. | Monday, December 27, 2004 | Christmas Holiday |
| 9. | Tuesday, December 28, 2004 | Christmas Holiday |
| 10. | Wednesday, December 29, 2004 | Christmas Holiday |
| 11. | Thursday, December 30, 2004 | Christmas Holiday |
| 12. | Friday, December 31, 2004 | Christmas Holiday |
| 13. | Monday, January 3, 2005 | New Years Day/Christmas Holiday |
| 14. | Friday, March 25, 2005 | Good Friday |
| 15. | Monday, March 28, 2005 | Easter Monday |
| 16. | Friday, May 20, 2005 | Friday preceding Victoria Day |
| 17. | Monday, May 23, 2005 | Victoria Day |

SECOND YEAR

1.	Friday, July 1, 2005	Canada Day
2.	Friday, September 2, 2005	Friday preceding Labour Day
3.	Monday, September 5, 2005	Labour Day
4.	Friday, October 7, 2005	Friday preceding Thanksgiving
5.	Monday, October 10, 2005	Thanksgiving Day
6.	Sunday, December 4, 2005*	Bonus Sunday*
7.	Friday, December 23, 2005	Christmas Holiday
8.	Monday, December 26, 2005	Christmas Holiday
9.	Tuesday, December 27, 2005	Christmas Holiday
11.	Wednesday, December 28, 2005	Christmas Holiday
12.	Thursday, December 29, 2005	Christmas Holiday
13.	Friday, December 30, 2005	Christmas Holiday
14.	Monday, January 2, 2006	New Years Day/Christmas Holiday
15.	Friday, April 14, 2006	Good Friday
16.	Monday, April 17, 2006	Easter Monday
17.	Friday, May 19, 2006	Friday preceding Victoria Day
18.	Monday, May 22, 2006	Victoria Day

THIRD YEAR

1.	Friday, June 30, 2006	Canada Day
2.	Friday, September 1, 2006	Friday preceding Labour Day
3.	Monday, September 4, 2006	Labour Day
4.	Friday, October 6, 2006	Friday preceding Thanksgiving
5.	Monday, October 9, 2006	Thanksgiving Day
6.	Sunday, December 3, 2006*	Bonus Sunday*
7.	Friday, December 22, 2006	Christmas Holiday
8.	Monday, December 25, 2006	Christmas Holiday
9.	Tuesday, December 26, 2006	Christmas Holiday
10.	Wednesday, December 27, 2006	Christmas Holiday
11.	Thursday, December 28, 2006	Christmas Holiday
12.	Friday, December 29, 2006	Christmas Holiday
13.	Monday, January 1, 2007	New Years Day/Christmas Holiday
14.	Friday, April 6, 2007	Good Friday
15.	Monday, April 9, 2007	Easter Monday
16.	Friday, May 18, 2007	Friday preceding Victoria Day
17.	Monday, May 21, 2007	Victoria Day

*Denotes Bonus Payment

12-2

Those eligible shall receive, without working, pay for the holiday. Holiday pay shall be eight (8) hours pay for all holidays. The rate of holiday pay shall be the employee's year to date average (excluding shift and overtime premiums). The year to date will begin June 1 each year up to the end of the pay period paid prior to the holiday. This calculated average will be increased by any applicable wage adjustments in effect at the time of calculation.

12-3

An employee who has attained seniority and who works his/her complete scheduled shift on the scheduled work day immediately preceding and immediately following the holiday shall be eligible for holiday pay. Absence up to two hours will be allowed on each day for the purpose of section 12-3.

(See letter #13).

12-4

A bereavement leave of absence authorized by the Personnel Department will be granted for three (3) or five (5) scheduled working days, where applicable, immediately prior to and/or immediately following a holiday in the event of a death in the employee's immediate family, as outlined in clause 9-31(b), and he/she shall be eligible for holiday pay providing he/she attends the funeral.

12-5

A person with seniority who is on authorized leave of absence as designated in sections 9-30 and 9-31 (a) who commences or returns from such authorized leave within seven (7) work days of the holiday shall be eligible for holiday pay. The Company may require a doctor's certificate as verification of such illness.

12-6

A person who is laid off with seniority rights to recall after layoff who commences or returns from such layoff within seven work days of the holiday shall be eligible for holiday pay.

12-7

An employee who is on vacation at the time of a holiday shall be paid for the holiday and will extend his/her vacation for one (1) day or for each statutory holiday during his/her vacation.

12-8

An employee or a person scheduled and who has agreed to work on a holiday, but who fails to report for work, shall forfeit his/her holiday pay unless he/she gives a satisfactory reason and notifies the company eight (8) hours in advance of the starting time of his/her shift.

VACATION PAY AND PERSONAL PAID ABSENCE**13-1**

The vacation year for the purpose of this Agreement shall be from July 1 to June 30

13-2

Vacation Credits and Personal Paid Absence Allowance shall be accumulated by an employee with seniority or a retiring employee on the following basis:

Effective June 1, 2004 , an employee with seniority or a retiring employee shall be credited with 5% of the maximum (100%) Vacation Credits and Personal Paid Absence Allowance to which he/she is entitled for each complete fifty (50) hours he/she has worked or earned in the vacation year, to a maximum of one thousand (1,000) hours.

13-3

An employee with seniority or a retiring employee shall be entitled to the following hours of Vacation and Personal Paid Absence in accordance with his/her seniority on the following basis in keeping with section 13-2:

Years of Service Prior to July 1	Hours of Vacation	Hours of Personal Paid Absence	Total Hours Vacation Personal Paid Absence
Up to 1 year	60 hrs.	0 hrs.	60 hrs.
1 yr. But less than 3	80 hrs.	20 hrs.	100 hrs.
3 yrs. But less than 5	80 hrs.	40 hrs.	120 hrs.
5 yrs. But less than 10	100 hrs.	40 hrs.	140 hrs.
10 yrs. But less than 15 yrs.	120 hrs.	40 hrs.	160 hrs.
15 yrs. But less than 21 yrs.	140 hrs.	40 hrs.	180 hrs.
21 yrs. But less than 22 yrs.	160 hrs.	28 hrs.	188 hrs.
22 yrs. But less than 23 yrs.	160 hrs.	36 hrs.	196 hrs.
23 yrs. But less than 24 yrs.	160 hrs.	44 hrs.	204 hrs.
24 yrs. But less than 25 yrs.	160 hrs.	52 hrs.	212 hrs.
25 yrs and over	160 hrs.	60 hrs.	220 hrs.

Effective June 1, 2004, for all employees, the rate per hour for vacation pay will be his/her year to date average (exclusive of overtime premium) commencing June 1 of each vacation year.

13-4

The rate per hour for vacation pay will be:

- (a) His/her regular day rate (exclusive of overtime premium) for a day worker;
- (b) His/her average earned rate (exclusive of overtime premium) for an incentive worker.

The cost of living applicable at the issuance of the vacation cheque is to be used in calculating gross pay.

- (c) When the vacation pay and personal paid absence allowance calculated in (a) and (b) is less than that required under the regulations of the Employment Standards act for the Province of Ontario, appropriate adjustments will be made;
- (d) For the retiring employee, when vacation pay and personal paid absence allowance calculated in (a) or (b) is less than that which would be received under Clause 13-7, he/she shall receive the greater of the two.

- (e) Effective June 1, 2004, the rate per hour for Personal Paid Absence will be his/her year to date average (exclusive of overtime premium) paid beginning June 1 each year up to the end of the prior pay period. The cost of living applicable to the issuance of the P.P.A. cheque is to be used in calculating gross pay. No overtime premium will be paid with the utilization of the Personal Paid Absence allowance.

The total Personal Paid Absence allowance is the same as optional vacation. The unused P.P.A. within the vacation year will not be carried over into the following vacation year. The unused Personal Paid Absence will be paid at the year to date average (exclusive of overtime premium), which will include the last full pay week in May.

- (f) The Personal Paid Absence may be scheduled in the normal manner with the supervisor.

Should Personal Paid Absence be utilized in a manner other than scheduled vacation, (e.g. Excused illness when not receiving Sickness and Accident Insurance or Personal Absence) the employee will schedule the Personal Paid Absence in the following manner:

The employee will submit a time card clearly identifying the time as P.P.A. The minimum amount of P.P.A. will be not less than four (4) continuous hours. This card is to be submitted to the supervisor for his/her approval at least three (3) working days prior to the requested date, when possible. The supervisor will notify the employee of his/her decision and sign the time card if warranted.

13-5

An employee with seniority, or a person with seniority rights to recall after layoff, or a person with seniority on authorized leave of absence or a retiring employee shall be paid Vacation Pay and Personal Paid Absence allowance pay computed on the following basis: percentage of Vacation and Personal Paid Absence Credit as provided in Section 13-2 multiplied by hours of Vacation and Personal Paid Absence Allowance as provided in Section 13-3 multiplied by the rate per hour as provided in Section 13-4.

13-6

- (a) Vacations shall be scheduled by the Company. Each employee must take a vacation within twelve (12) months following June 30, to the extent of the hours of vacation to which he/she is entitled by his/her seniority multiplied by the percentage of vacation credits he/she has accumulated during the vacation year.
- (b) Employees will commence their vacation at the end of their regular scheduled 40 hour work week. Employees shall not have overtime opportunity any weekend during their vacation period. However, the company may request an employee "if available" to report in for weekend work in the case of customer requirements or emergency situations that arise.
- (c) The cheques issued for vacation pay will show the employee's normal deductions.
- (d) If vacation has been scheduled and the employee becomes ill prior to the start of his/her vacation and will be disabled through his/her vacation, the vacation may be rescheduled for a later date if the employee requests this prior to the vacation.

- (e) If vacation has been scheduled and the employee becomes ill, for example, on the weekend after his/her last day worked prior to the vacation and will be disabled through his/her vacation, he/she may, upon request on the Monday beginning his/her vacation, reschedule his/her vacation for a later date and may be eligible for Accident and Sickness Benefit for the disabled period.
- (f) If vacation of more than one week has been scheduled and the employee becomes ill and disabled during any week of his/her vacation, he/she may, upon request during that week, have any subsequent weeks of vacation rescheduled for a later date and may be eligible for Accident and Sickness Benefit for this disabled period.

(See letter #28)

13-7

If after working during the vacation year, an employee, a person on Authorized Leave of Absence, or a person with seniority rights to recall after layoff loses his/her seniority during the vacation year, he/she shall be entitled to the following Vacation and Personal Paid Absence Allowance pay:

Years of Seniority as of the Date of Loss of seniority	Vacation Pay and Personal Paid Absence Allowance
Under 3 years	4% of earnings in vacation year
3 years and less than 5	6% of earnings in vacation year
5 years and less than 10	7% of earnings in vacation year
10 years and less than 15	8% of earnings in vacation year
Over 15 years	9% of earnings in vacation year

PRODUCTION STANDARDS

14-1

The Company shall establish the standard method and conditions under which an operation shall be performed in normal production, and the production standard shall be established on the basis of this method and under these conditions.

A production standard shall be established and shall apply to each incentive job separately.

14-2

The Company shall establish production standards that:

- (a) are fair and equitable to the employees and to the Company.
- (b) are based on the output of a normal operator working with normal skill, effort, and 100% efficiency.

- (c) give a complete description of the methods and conditions under which the production standard is established.

All new process sheets will include allowances such as machine cycle time, tool or wheel dressing and changing, gauging etc.

- (d) Give proper consideration to delays, personal time, and all other factors which may affect the operator's normal rate of production.
- (e) Shall be such that for each one (1) per cent increase in production in excess of the established production standard, the employee shall receive an equal percentage increase in pay using the designated pay code as the objective rate.
- (f) When standard data is to be applied, the operator on shift shall be advised by the Time Study Engineer prior to the change being implemented.

Any dispute is subject to the grievance procedure as outlined in Clause 14-8.

- (g) Operators who are time studied are to sign the study indicating that they were the employees so time studied.

The Time Study Engineer will notify the operator of his/her effort rating when the operator signs the time study.

- (h) After a standard has been established in conformity with 14-2 and during the ensuing period an abnormal condition affects the standard, the operator may request a time study to appraise the element affected. A rate will be applied within twenty-four (24) hours to cover such conditions and the new rate applied shall be retroactive.
In such cases where the job is completed or a time study cannot be applied, the operator will be paid as authorized by the supervisor, by one of the following options:

- (1) a rate mutually agreed upon by the operator and the supervisor; or
- (2) Code 19/Code 20 on the differential of that element affected.

- (i) The Company will post, within 24 hours, the earnings and the manpower of the assembly lines in the Thorold Frame Plant following the expiration of the previous shift.

14-3

All current production standards shall include a personal time allowance of 5 %.

Effective June 1, 2004 on all future new products/business, a personal time allowance of 6.25% will apply.

(See letter #2)

14-4

Where fatigue is a factor in establishing a production standard, the element of fatigue shall be determined by a time study of sufficient length that the influence of fatigue on the production standard can be established.

14-5

- (a) When studies are to be made for the purpose of establishing production standards, the operator shall be advised one (1) hour prior to the study being made. The operator when being studied shall perform his/her operation in accordance with the Company's instructions and will otherwise co-operate to give a performance which is representative of the actual conditions under which the operation will be performed in normal production.
- (b) On jobs where a production standard is not applied, the Company agrees to pay as per Clause 14-11 or YTDA for a period of 24 hours until a rate is applied. Once production standards are established they shall become effective on the shift following the entry into the routing book.

14-6

- (a) On jobs which are partially machined controlled an allowance of 30% of the machine controlled cycle will be added.
- (b) On jobs which are fully machined controlled an allowance of 30% of the machine controlled cycle will be added.

Definition of Controlled Machine

- (c)
 1. When an operator is being studied on a partially machine controlled job and his/her handling time is such, taking into consideration other allowances as gauging, etc., Restrict his/her earnings to less than 130% when he/she is working at the corresponding efficiency. The time study rate shall be adjusted to allow the operator to earn 130% when he/she is working at the corresponding efficiency. The time study rate shall be adjusted to allow the operator to earn 130% of the applicable code.
 2. Fully controlled machine operation covering a single machine or group of machines where standard feeds and speeds have been established prior to the job being rated and are of such a nature that the operator is able to perform load, unload, gauge, etc., and is waiting on the machine cycle to be completed.

14-7

The production operator will be advised in writing when a production standard is established within twenty-four (24) hours.

14-8

An established production standard may be questioned by an operator on the grounds that it does not conform to the provision of 14-2. A production operator at any time may request that a production standard be rechecked by the Standards Department to determine if the conditions under which the production standard was originally established are being maintained.

- (a) Step 1 - Verbal

The production operator, accompanied by his/her Union representative, shall discuss the disputed production standard with his/her supervisor and the Standards Supervisor and examine the data on which the production standard is based.

Step 2 - Verbal

In the event the production standard remains in dispute following Step 1 the Standards Supervisor will arrange a meeting with the Section Manager. The disputed production standard will be discussed with the parties as in Step 1.

Step 3 - Written

If the production standard remains in dispute following Step 2, the Production Operator, or his/her Union Representative may present a written grievance to the Personnel Office.

Step 4

Prior to a disputed standard being taken to arbitration the Company shall permit, and the Union will bring in a C.A.W. Time Study Engineer who will review the disputed production standard and may time study the disputed production standard.

- (b) The dispute must be settled or must be referred to grievance procedure within ten (10) days of the origin of the dispute or the dispute shall be at an end and the production standard will remain in effect. Should the dispute go to arbitration the arbitrator shall be a recognized Industrial Engineer whose findings shall be consistent with the provisions of Section 14-1 and 14-2.

14-9

If the final production standard that is determined is higher than the standard that was previously determined by the Company, the new standard shall be made retroactive to the date of the origin of the dispute and shall be given to the employee or group in the form of a credit during the week in which the new standard is determined.

14-10

When final production standards are set, they shall not be changed except as a result of an engineering or operational change or to correct a clerical error and only the elements affected will be retimed.

If by mutual agreement it is decided to retime an operation after a production standard has been set and there are no engineering or operational changes, the operation will be re-timed on the basis of timing all the operations of the part in the department, and the old production standard that has previously been used will remain in effect until a new production standard has been set.

It is understood that where an employee increases his/her earnings through his/her own skill and effort and is within the quality requirements, it will not be interpreted as being a change in job content as set out in clause 14-10 above.

14-11

Temporary production standards may be established by the company in conformity with Clause 14-2 for a period not to exceed thirty (30) days. During this thirty day period the Company shall establish a permanent production standard in conformity with Clause 14-2. Prior to 30 days, if a

permanent production standard has not been applied, the Company and the Union will meet to discuss an extension of the temporary rate.

14-12

The guaranteed or day work rates and the objective rate shall be as outlined in Appendix 4 of this Agreement.

14-13

The objective rate shall be the incentive earning rate of a normal operator producing at a normal pace. This objective rate shall be used for calculating incentive earnings.

14-14

Delays not included in production standards and not the responsibility of the operator will be paid as a day work allowance. These delays are those on which standards cannot be established or which occur too infrequently to be factored into the production standard. For example - a machine operator waiting for stock, being held up due to inspection, trucking material or parts within his/her own line to keep his/her job running.

- (a) Day work allowances for set-up where an operator is setting up his/her own machine will be paid for at the objective rate of Code 19/Code 20 or his/her regular objective rate, whichever is higher, provided he/she is as efficient as a regular set-up person, until a temporary or permanent standard can be established. When a production operator is called on to set up a machine or machines other than his/her own, he/she will be paid Code 45DW.
- (b) All other day work allowances will be paid at the day work rate.
- (c) Employees assigned to sweeping (other than his/her own area at the end of shift), Code 19/Code 20. Employees stock moving (if not in allowance), Code 19/Code 20. An employee engaged in re-set-up (actively engaged in getting his/her job running to standard), Code 19/Code 20.

Employees in the Structural Solutions Thorold Frame Plant, when assigned from one main assembly line to another main assembly line will be paid for the time required to move at Code 19/20. Structural Solutions Thorold Frame Plant employees on the main line who are actively engaged in bringing a fixture back to standard, pay Code 19/Code 20. Employees setting up own machine, unless it is a major set-up as established, or has a rate, pay Code 19/Code 20. Employees engaged in experimental work, prototypes and samples, pay at YTDA. Employees engaged in cleaning furnaces, pay at YTDA.

14-15

A production operator or group will not be paid incentive earnings for work that is rejected by inspection because of defective workmanship on the part of the employee(s). Those pieces rejected will be subtracted from the total pieces produced and the productive hours will remain the same.

Example -
productive hours = 4
pieces produced = 180
pieces scrap = 50
pieces acceptable = 130

Pay will be calculated on 130 pieces in four (4) hours. An employee or group shall be paid D.W. for time required to rework his/her own scrap. An employee or group shall be paid incentive earnings for scrap or rework which is not due to the fault of the employee(s).

14-16

Group methods of pay may be established for groups of operations in order to provide uniform incentive opportunity for the employees performing those operations.

LEADERS (EXCLUDING SKILLED TRADES LEADERS)

15-1

The Company may appoint employees as leaders in their own classification. These employees may direct the activities assist or act as a leader for two or more other employees. Employees classified as leaders do not have the right to hire, fire, or discipline other employees. Employees classified as leaders will receive an additional twenty (20) cents per hour and shall not be classified as leaders for a period of less than seven (7) calendar days.

COST OF LIVING

16-1

During the term of this Agreement, the amount of the Cost of Living Allowance shall be determined and re-determined as provided below on the basis of the Canadian Consumer Price Index published by Statistics Canada (1992 = 100)

16-2

Effective October 31, 2004, \$1.00 of the current Cost of Living Allowance of \$1.88 will be folded into the base rate.

16-3

During the period of this Agreement, the quarterly adjustments in the Cost of Living Allowance shall be made as outlined below:

- (a) Beginning with the adjustment effective September 1, 2004, a one cent (\$.01) adjustment in the COLA shall become payable for each 0.0755, change in the average of the Canadian Consumer Price Index as to produce an average adjustment over time of one cent (\$.01) for each 0.0755 change in the average of the Canadian Consumer Price Index.

**Adjustment Date
1st Day of Pay Period
Beginning on or After**

**Based Upon Three-Month
Average of the
Consumer Price Indices**

June 1, 2004
September 1, 2004
December 1, 2004
March 1, 2005
June 1, 2005
September 1, 2005
December 1, 2005
March 1, 2006
June 1, 2006

February, March, April, 2004
May, June, July, 2004
August, September, October, 2004
November, December, 2004, January, 2005
February, March, April, 2005
May, June, July, 2005
August, September, October, 2005
November, December, 2005, January, 2006
February, March, April, 2006

September 1, 2006
December 1, 2006
March 1, 2007

May, June, July, 2006
August, September, October, 2006
November, December, 2006, January, 2007

- (b) The COLA increase that was to be paid in June 2004 will be retained by the Company to assist in the payment of retiree health care benefits.
- (c) A total of sixty-six cents (\$.66) will be withheld from the cost of living allowance increases over the term of the Collective Agreement as follows:

\$0.06 of new monies generated by COLA will be withheld from each of the quarterly adjustments periods beginning with the payment due September 2004, December 2004, March 2005, June 2005, September 2005, December 2005, March 2006, June 2006, September 2006, December 2006 and March 2007.

16-4

In determining the three-month average of the Indices for a specific period, the computed average shall be rounded to the nearest 0.1 Index point. In no event will a decline in the three-month average of the Canadian Consumer Price Index below an index that is to be determined provide the basis for a reduction in the rate of any classification.

16-5

The parties of this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the monthly Consumer Price Index in its present form and calculated on the same basis as the index for June 2004 unless otherwise agreed upon by the parties. If Statistics Canada changes 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 June 2004 provided, however, that the Canadian Consumer Price Index (1992 = 100) based on the 1983 Family Expenditure Survey shall be used in the computations for any month for which such index is officially published.

16-6

The amount of the Cost of Living Allowance effective June 1, 2004 shall be determined in accordance with the following table (0.0589 = \$.01). This table is available in your union offices or the Human Resource Departments.

- (a) Effective with the adjustment for September 1, 2004 and for the subsequent period of the Collective Agreement the Cost of Living shall be based on and adjusted up or down in accordance with the Consumer Price Index (1992 = 100) with one cent (\$.01) adjustment for each 0.0589 change in the three (3) month average index, as outlined in Clause 16.03 (a), and will be calculated in accordance with the new scale.

16-7

The Cost of Living allowance provided for shall be paid to each employee for each hour worked. The amount of Cost of Living allowance in effect at the time when calculation is made as per the above section shall be included in computing vacation pay, holiday pay, call-in pay, bereavement pay and jury duty pay.

16-8

The Cost of Living Allowance shall not be added to the base or day rates for any classification. The Cost of Living Allowance shall be computed on the basis of the hours worked times the amount allowable. The Cost of Living Allowance will be treated as an add-on for the duration of this agreement.

* **INSURANCES** (The following is a summary of the plan only - the language of the respective policies will govern.)

17-1

The Company shall make available to eligible employees in the bargaining unit an insurance plan hereinafter referred to as the "plan". Eligible employees, provided they are actively at work on that date, shall be enrolled in the plan on the first of the month following completion of ninety (90) days of employment. Employees not actively at work on that date shall be enrolled on the date of their return to work. All employees will be enrolled in the Ontario Health insurance plan (OHIP) according to the regulations governing that plan. Required premiums for OHIP for employees who are not eligible employees, under the terms of this Clause 17-1, shall be paid by the employees concerned.

Where applicable, dependents (i) for group insurance shall include spouse and unmarried children under the age of 21 or 25 if attending an institution of higher learning, and (ii) for dependent group life shall include spouse and unmarried children, between the ages of 14 days and 25 years, until the end of the calendar year in which age 25 is attained. In order to be considered as "dependent", unmarried children referred to in (i) and (ii) above must be the legal responsibility of the employee, and, as defined by the Canadian Income Tax Act, must have their principal support provided by the employee.

17-2

The plan shall provide benefits as follows:

- a) Group Life Insurance
 - effective June 1, 2004 \$44,000
 - effective June 1, 2005 \$45,000
 - effective June 1, 2006 \$46,000
- (b) Accidental Death and Dismemberment Insurance (A.D. &D .)
 - effective June 1, 2004 \$22,000
 - effective June 1, 2005 \$22,500
 - effective June 1, 2006 \$23,000

If the cause of death is due to employment, twice the amount of the A.D. & D. Insurance will apply.

In the event of death as a result of employment, the health insurance for which the employee is eligible will be paid for by the company for the Spouse and eligible dependents until the spouse remarries.

- (c) Weekly Indemnity Benefit
 - effective June 1, 2004 \$580.00

- effective June 1, 2005 \$590.00
- effective June 1, 2006 ... \$600.00

In no case, however, shall the amount of weekly benefit payable under this title for any given week be less than the amount payable for such week under the Unemployment Insurance Act 1971 and its regulations as amended.

Benefits will be paid commencing the first day of an accident, or admittance to a hospital as an inpatient and hospitalized overnight, or the day following outpatient surgical procedure of \$25.00 or more in a hospital, doctor's office or clinic, or the eighth day of sickness, for a maximum of fifty-two weeks.

(d) Extended Disability Benefit:

An employee who has exhausted weekly Indemnity Benefits and continues to be disabled so as to be unable to engage in any gainful occupation or employment with the Company for which he/she is reasonably qualified by education, training or experience shall receive a monthly disability benefit. Such benefit shall be payable for a period equal to such employee's seniority at the date of disability or until the date of recovery, death or age 65.

The amount of benefit shall be:

- effective June 1, 2004..... \$2,100 per month
- effective June 1, 2005..... \$2,100 per month
- effective June 1, 2006.... \$2,100 per month

Such benefit shall be offset by the monthly equivalent of the total of the following benefits for which the employee is eligible:

- (1) lost time benefits under Worker's Compensation Laws or other laws providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, 100% loss of use of a body member
 - (2) disability or old-age benefits to which the person is entitled under any existing or future Provincial or Federal legislation which becomes payable, except old-age benefits, reduced because of the age at which received, or benefits payable on a "needs" basis;
 - (3) benefits under any provincial or federal law providing benefits for working time lost because of disability; and no deduction on children's portion of C.P.P.
 - (4) benefits under any other Company-sponsored benefit or pension program.
- No benefit shall be payable for any period during which a female employee is on a pregnancy leave of absence as arranged with the Company, or for any disability resulting from service in the armed services.

(e) Ontario Health Insurance Plan (OHIP). The entire cost of OHIP is paid by the Company through payroll tax (EHT). Any new Ontario premiums/income taxes are the responsibility of the employee, retiree or surviving spouse. Should the EHT be eliminated and replaced with an OHIP premium, the Company shall be responsible for the new premium.

(f) Prescription Drug Plan with a \$1.00 deductible per prescription for active employees and dependants with one or more years of seniority. No benefit is payable for cognitive fees or the dispensing fee for over the counter drugs.

- (g) Semi-private Hospital to a maximum of \$200.00 per day effective June 1, 2004, \$210.00 per day effective June 1, 2005 and \$220 per day effective June 1, 2006.
- (h) Major Medical Insurance:
Benefits are subject to a \$50 annual deductible per covered individual with an annual maximum deductible of \$100 per family. Benefits include nursing care, chiropractic services, massage therapist, excess charges outside of Ontario and certain other miscellaneous expenses.
- (i) Prosthetic Appliance and Durable Medical Equipment Benefit.
Benefits will be paid on a reasonable and customary basis for prosthetic appliances and durable medical equipment where prescribed by a licensed physician.
- (j) Nursing Home Benefit:
Benefits provide payment for that portion of nursing home charges not paid by the Government of Ontario, to a maximum of \$1,100 per month (this applies to future claims and current eligible claimants not presently claiming nursing home benefits).
- (k) Vision Care Benefit:
Benefits for the cost and maintenance of eyeglasses are payable with respect to an employee or individual dependent subject to a maximum of \$45.00 within any twenty-four (24) month period. If there is a change in prescription, benefits will be covered, not more than once every twelve (12) months. If there is no change in prescription, benefits will be covered, not more than once every twenty-four (24) months. A maximum of \$150 may be allowed towards the purchase of contact lenses in lieu of eye glasses. A maximum of \$75.00 will be covered for eye examinations, not more than once every twenty-four (24) months.
- (l) Hearing Aid Benefit:
Benefits will cover the cost of prescribed hearing aids and related expenses on a reasonable and customary basis for active employees with one or more years of seniority and their dependents.
- (m) Dental Care Insurance:
Benefits will cover the full range of diagnostic, preventive, restorative and orthodontic treatment for active employees with one or more years of seniority and their dependents. The 2003 O.D.A. scale will remain in effect until Dec. 2004 and remain at a 1 year lag there after.
- (n) Survivor Income Benefits:
 - 1. Transition benefit -
A benefit of \$675 per month effective June 1, 2004; \$675 per month effective June 1, 2005; \$675 per month effective June 1, 2006 is payable for twenty-four (24) months for all Class A and B and D survivors. For Class A & B survivors, who have dependent on them, for principal support, an unmarried child under 21 years of age, and for Class C survivors, who survive both parents, the benefit is \$675 per month effective June 1,2004; \$675 per month effective June 1, 2005; \$675 per month effective June 1, 2006. For all other Class C survivors, the benefit is \$675 per

month effective June 1, 2004; \$675 per month effective June 1, 2005; \$675 per month effective June 1, 2006. No benefits are payable for any month in which there is no individual who is then an eligible survivor. No survivor shall be able to receive a benefit under more than one Classification. The health care coverages will be provided by the Company for 36 months.

2. Bridge benefit -

A benefit of \$675 per month effective June 1, 2004; \$675 per month effective June 1, 2005; \$675 per month effective June 1, 2006 is payable, commencing on the first day of the calendar month following the month for which the 24th transition benefit is paid and monthly thereafter to surviving spouses who are 45 years or over at the time of the employee's death or to surviving spouses whose age at the time of the employee's death plus the deceased employee's credited service under the pension plan equals 55. The survivor may continue to be covered by the Health Care Benefits, beyond the 36 months coverage during the Transition Benefit, providing the survivor pays the full premium cost and is eligible for the Bridge benefit. Bridge benefits cease on the earlier of:

- (1) The date the survivor remarries,
- (2) The date of the survivor's death,
- (3) age 65.

3. Waiver - a Class A or Class B eligible survivor may waive any right to receive survivor income benefits with respect to any period by completing a waiver form furnished by the Company for that purpose regardless of the date the deceased employee last worked. If the Waiver is received by the Company on or before the date the survivor's application for survivor income benefits is received by the Company, such Waiver shall become effective the first day of the first month for which such benefits are payable, or, if later, the first day of the month designated by the survivor; otherwise such Waiver shall become effective the first day of the second month following the month in which it is received by the Company. No survivor income benefits shall be payable for any period covered by such Waiver, provided, however, that any month in which a survivor income benefit is not paid because of such Waiver shall be counted as if it is a month for which a benefit is paid under this article for the purpose of determining the maximum number of monthly transition survivor income benefits. A Class A or Class B eligible survivor may revoke such a Waiver by completing the appropriate form furnished by the Company, such revocation being effective with respect to survivor income benefits payable on and after the first day of the second month following the month in which such revocation is received by the Company.

- (o) Dependent Group Life Insurance Plan: Contingent upon satisfying the participation requirements of the insurance company, a Dependent Group Life Insurance Plan will be available to employees. Premiums will be fully paid by the employee. The benefit would be payable to the employee in the event of the death of a dependent.
- (p) Health Care, Basic Dental benefits and Disability benefits for employees hired after May 31, 2004 will be subject to the conditions outlined in letter #41.

17-3

If any applicable Federal, Provincial or other legislation shall be enacted which provides or requires benefits similar to those provided by the Company, the appropriate modifications will be made in the plan.

17-4

Retiree benefits:

- (a) Life Insurance:
Effective June 1, 2004 all future retirees will be insured for \$7,000.00 or \$2,600.00 into R.R.S.P.
- (b) Other Benefits:
Retired employees and surviving spouses of retired or deceased employees who are eligible to retire shall be covered for OHIP, Dental Care, Prescription Drug, Semi-Private Hospital, Major Medical, Nursing Home and Vision Care Benefits, Prosthetics and Hearing Aid Benefits. The Company will pay the cost of the above benefits for surviving spouses until the earlier of death, remarriage or the date such survivor takes up residence outside Canada.
- (c) Employees hired after May 31, 2004 will become eligible for retiree health care provided they have a minimum of 25 years service at the time of retirement.

17-5

Leaves of absence

- (a) An employee on authorized leave of absence for compensable sickness or accident under the terms of Section 9-30 shall be entitled to participate in the plan to the extent to which he/she is eligible for the duration of such leave. The cost of the plan will be paid for by the Company.
- (b) A person on authorized leave of absence due to illness under the terms of 9-31 (a) shall be entitled to participate in the insurance plan to the extent to which he/she is eligible for a period of twelve (12) months following the month in which such leave commences. The plan will be paid for by the Company.
- (c) A person on authorized leave of absence for Local Union activity under the terms of 9-35 may continue to carry all benefits under the plan excluding weekly indemnity by paying the total cost of such insurance.
- (d) A person:
 - (1) on authorized leave of absence for other labour activity under Section 9-36;
 - (2) on authorized leave of absence on election to Public Office under Section 9-37;shall be entitled to continue his/her OHIP, Semi-Private Hospital, Major Medical, Nursing Home Care, Vision Care, Chiropractic Services, Prosthetic and Hearing Aid Benefits, Prescription Drug and Dental Care coverage until he/she is eligible for other than Dana Canada Corp. coverage for each of the aforementioned benefits, but for a period equal to not more than such employee's seniority, by paying the total cost of those benefits.
- (e) A person with seniority rights to recall after lay off shall have the premiums for his/her OHIP, Semi-Private Hospital, Major Medical, Nursing Home Care, Vision Care, Chiropractic Services, Prosthetic and Hearing Aid Benefits, Prescription Drug, Dental Care,

Life Insurance and Survivor Income Benefit coverage paid for a period of three (3) months following the month in which he/she was laid off. After that period, he/she shall be entitled to continue his/her OHIP, Semi-Private Hospital, Major Medical, Nursing Home Care, Vision Care, Chiropractic Services, Massage Therapist, Prosthetic and Hearing Aid Benefits, Prescription Drug, Dental Care, Life Insurance and Survivor Income Benefit Coverage until he/she is eligible for a plan other than that of Dana Canada Corp., but for a period equal to not more than such employee's seniority, by paying the total premium cost of those benefits.

An employee with seniority rights who is recalled and returns to work for one full day will have his/her life insurance A.D. & D., S.I.B., Weekly indemnity and L.T.D. Insurances reinstated immediately. His/her OHIP, Semi-Private, Health Care Benefits and Dental Care Insurance will be re-instated effective the first of the month following his/her date of recall, provided he/she is actively at work on that date, except if absent due to illness or injury (occupational or non-occupational).

- (f) A person who is receiving Extended Disability Benefits shall be entitled to continue the health insurances for which he/she is eligible, until such time as he/she is ineligible for Extended Disability Benefits. The cost of premiums for these insurances will be paid for by the Company.
- (g) A person on authorized leave for a WSIB Labour Market Re-entry Program shall be entitled to participate in the plan to the extent to which he/she is eligible for a period of (12) months following the month of completion of the Labour Market Re-entry Program. The cost of premiums for these insurances will be paid for by the Company.

In all cases under Clause 17-5 (c), (d), and (e) above, the persons concerned must make the required monthly payments by the 20th of the month preceding the benefit month to the personnel office, or lose his/her rights under this Clause.

17-6

All eligible employees are required, as a condition of employment, to subscribe to the complete insurance plan.

GENERAL

18-1

Timecards or swipe system data will be processed only by management employees or authorized office staff. If a supervisor disagrees with the contents of an employee's pay record, the supervisor will return the pay record to the employee. Disputed pay records will be paid at the day work rate and will be subject to the grievance procedure.

18-2

The Company will continue to provide necessary protective equipment including tinted prescription safety glasses if required, because of one's job. Protective clothing will be supplied to lab workers and will be made available to set-up persons when required to protect their personal clothing.

18-3

An employee injured on the job and instructed to go home by his/her supervisor, First-Aid Attendant, or medical authority shall be paid for the balance of the shift during which the injury occurred. He/she shall be paid to a maximum of (8) hours at his/her rate, or if an incentive worker at YTDA, and overtime premium where applicable.

Transportation will be supplied for such employee to receive proper medical attention.

18-4

Supervisors and above shall not be permitted to perform work normally performed by an employee in the Bargaining Unit except:

- (a) In the instruction or training of employees.
- (b) In the performance of necessary work when difficulties are encountered on a job.
- (c) In the development of the method of an operation.

18-5

The Company and the Union agree that neither party will discriminate against any employee, because of race, religion, colour, sex, or marital status.

18-6

Upon this Agreement becoming effective, all prior Agreements both oral and written between the Company and the Union are superseded and terminated. No provisions of this Agreement shall have any effect prior to the effective date of this Agreement unless specifically provided herein.

18-7

The Company will administer a tuition refund program to seniority employees who successfully complete courses which have prior approval of the Company and are job related.

18-8

All the letters signed outside of this Collective Agreement are part of this agreement and are identified as Special Circumstance letters.

DURATION OF AGREEMENT

19-1

This Agreement is to become effective June 1, 2004 and remain in full force and effect until midnight, May 31, 2007. Either party to this Agreement desiring to negotiate a new Agreement shall give notice to the other party in writing within ninety (90) days prior to the expiration date. If notice is not given as above, the Agreement shall be automatically renewed without change from year to year until such time as sixty (60) days notice is given prior to the annual expiration date. Within ten (10) days of receipt of notices by either party of intention to change the existing Agreement, a joint conference will be held for the purpose of negotiating a new Agreement. Either party desiring to supplement, change, or modify this Agreement may do so by giving thirty (30) days notice in writing. The party receiving notice shall, within ten (10) days after receipt of such notice, reply in writing that it accepts, rejects, or requests a conference to discuss the proposed supplement, change, or modification. The terms of this Agreement as of the expiration date will remain operative between the parties after its first expiration date for such reasonable length of time thereafter as may be required for the negotiation of a new Agreement.

APPENDIX 1

SKILLED TRADES

GENERAL

20-1

The purpose of this Appendix is to define classifications, wage rates, seniority provisions, transfers, apprenticeship requirements, and all other matters peculiar to the skilled trades classifications. These shall include all commonly recognized apprenticeable trades.

20-2

The provisions of the Collective Agreement shall apply to all employees in the skilled trades classifications, except as altered by the provisions of this Appendix 1.

20-3

The term "journeyman", as used in this Appendix, shall mean any person who:

- (a) is presently an employee, a person with seniority rights to recall after layoff, or a person with seniority on authorized leave of absence, within a journeyman's classification in a skilled trades occupation.
- (b) has served a bonafide apprenticeship of four (4) years or 8,000 hours and has proof of such apprenticeship service.
- (c) has eight (8) years practical experience in the skilled trades classification in which he/she claims journeyman's status and has documented proof from previous employers of such experience.
- (d) has a recognized C.A.W. journeyman's card.

20-4

The provisions governing recognition, representation, and working conditions peculiar to the skilled trades classification shall apply to the following classifications:

FOUR YEAR APPRENTICEABLE TRADES

Die Upset Maker (4 Years)

Die Repair

Electrical Trade

Electrician;

Electrician Technician.

Machine Repair Trade

Machine Repair General

Machine Repair General Technician

Tool & Die Trade

Tool & Die Maker

Inspector, Tool & Die

Plate Inspector

Tool & Die Technician

General Maintenance Trades

Millwright

Welder-Tool, Die & Maintenance

Pipefitter
Pipefitter Technician

TWO YEAR APPRENTICEABLE TRADE

Tool & Cutter Grinder
Lab Worker

20-4

- (a) The skilled trades classifications grouped under the heading of General Maintenance Trades will exercise seniority by their skilled trades classification with regard to layoff and overtime. However, when there is no other way to maintain Company schedules they may be permitted to assist in any of the skilled trades classifications in the General Maintenance Trades grouping, during this temporary period, providing there are no layoffs in the trade concerned.
- (b) An Electrical Technician shall be a journeyman electrician who has and uses the added skills and ability to layout wiring circuits on machines and estimate power factors required in plant areas.

A pipefitter technician shall be a journeyman pipefitter who has and uses the added skills and abilities of designing circuitry, developing and applying the related pneumatic systems.

A machine repair technician shall be a journeyman machine repairman who has and uses the added skills and ability to design, install and maintain hydraulic systems.

(See letter #8)

Leaders

20-5

The Company may appoint journeymen as leaders. A leader is a journeyman who, while engaged in his/her regular occupation, leads or processes the work of two or more other employees in his/her trade group. A leader shall not have the right to hire, fire, or discipline other employees.

A leader shall have seniority as a journeyman and be subject to all the provisions of this Appendix except that he/she shall receive thirty-five cents (\$.35) per hour in addition to his/her journeyman's rate and shall not be classified as a leader for a period of less than seven (7) calendar days.

For the purpose of this clause trade groups shall be:

- a. Electrical trades
- b. Die Sinking trades
- c. Machine Repair trades
- d. Tool Making and Skilled Machine Operator trades
- e. Millwright trade
- f. Pipefitter trade
- g. Other General Maintenance trades

Entry Into Skilled Trades

20-6

Entry into the Skilled Trades shall be governed by the conditions of Clause 20-3 of this Appendix or through the Apprenticeship program set out in Appendix 2.

The Skilled Trades Representative in the Plant concerned will be informed within seven (7) days of the hiring of a skilled tradesman.

The Skilled Trades Representative in the Plant concerned will be shown the tradesman's qualifying documents prior to his/her hiring and, if necessary, may be called upon for assistance in verifying documents for an individual's acceptance as a Skilled Tradesman.

20-7

During a period when journeymen with the qualifications set forth in Section 20-3 of this Appendix are not available, the provisions of Section 20-3 shall be waived. Employees reclassified under such circumstances shall be known as supplementary employees in the Skilled Trades Classifications. There will not be supplementation in any skilled trade unless there is an apprentice in such skilled trade. However, the Company may temporarily utilize supplementary employees for a period not to exceed sixty (60) days unless a longer period is mutually agreed upon. Rates of pay, seniority and all other special conditions regarding supplemental employees will be established by mutual agreement in writing between the Company and the Plant Negotiating Committee.

Skilled Trades Seniority**20-8**

An employee in a Skilled Trades Classification shall acquire seniority as provided in Sections 9-1, 9-2 and 9-3 of the Memorandum of Agreement, and Skilled Trades seniority as provided in Section 20-9 of the Appendix 1.

- a) An employee that becomes a successful bidder from production into a Skilled Trades Classification shall acquire Skilled Trades seniority by working in that trade for thirty (30) full - shift days during a period of six (6) months in which event his/her seniority shall date back to date of entry into Skilled Trades. All of the employee's production seniority will freeze at his/her Skilled Trades seniority date.
An employee in a Skilled Trades Classification shall use his/her skilled trades seniority only, as provided in Sections 20-10 and 20-11 in the event of layoff, recall, or transfer.

20-9

An employee who transfers into a Skilled Trades Classification shall have skilled trades seniority from the date of entry into that skilled trades classification except as provided in Section 20-10 and 20-11.

Exercising Skilled Trades Seniority**20-10**

- (a) Temporary Lay-offs

A temporary lay-off is one, which is not expected to last more than ten (10) working days. Seniority shall be exercised in accordance with the following schedule:

- (1) There shall be no exercising of skilled trade seniority during a temporary lay-off of less than five (5) working days.

- (2) Lay-offs of five (5) working days or more, but less than ten (10) working days - skilled trades employees may exercise their seniority in their own Skilled Trades Classification.

(b) Extended Lay-offs

An Extended Lay-off is one which is expected to last, or which exceeds ten (10) working days, unless the lay-off is occasioned by a labour dispute. Seniority will be exercised in accordance with the following schedule:

In the event of an Extended Lay-off, a skilled trades person may-

- (1) Exercise his/her skilled trades seniority in his/her classification, as outlined in the Collective Agreement.
- (2) Elect to fill a requisition for help in a classification other than a Skilled Trades Classification, providing no seniority is involved in the filling of the requisition, and further, that he/she must return at his/her earliest opportunity to his/her Skilled Trades Classification, or forfeit all claim thereto.
- (3) Elect to exercise his/her skilled trades seniority on a machine or classification peculiar to his/her trade, (while still maintaining his/her skilled trades seniority in his/her classification) provided he/she has the ability. However, he/she must return at his/her earliest opportunity to his/her Skilled Trades Classification.
- (4) In the event an employee in the skilled trades bids on a single purpose operation and has the qualifications, he/she shall carry his/her full skilled trades seniority into that single purpose operation.

In the event of a lay-off the junior employee in that single purpose operation may exercise back into his/her former classification.

In the event the junior employee in the single purpose operation has no place to bump, then the junior employee who can exercise seniority may exercise back into his/her former trade providing the employee he/she can exercise against has less seniority than the employee being bypassed. It is understood that an employee cannot accumulate journeyman seniority while in a single purpose operation and will only use the seniority he/she had when leaving his/her former classification for the purpose of exercising seniority.

In the event of a lay-off an apprentice shall exercise his/her seniority as provided in Appendix 2, Section 21-9.

(c) Reduction of Operations-

The Company may temporarily reduce scheduled operations before it is required to lay off skilled tradespersons. The Company agrees to make every effort to accumulate temporary reductions into consecutive days.

Such reduction shall not exceed, in any department, a total of seven (7) working days in six (6) consecutive months commencing the date of the first Reduction of Operation. This shall not be extended unless the Company and the Union have made a written agreement.

20-11

Skilled trades employees on layoff, with seniority shall be re-called in the reverse order of layoff and in accordance with other provisions of the Collective Agreement governing recall.

Transfers

20-12

Temporary transfers between Skilled Trades Classifications may be made for a maximum period of ninety (90) days providing such transfers do not infringe on the skilled trades seniority rights of the employees regularly employed in the Skilled Trades Classification. The employee transferred shall be qualified and certified where necessary, to do the work in the classification he/she has been transferred to. Such transfers shall be limited to once a year in any one trade unless the Company and the Plant Negotiating Committee mutually agree to more frequent transfers. An employee temporarily transferred shall retain his/her skilled trades seniority in the Skilled Trades Classification from which he/she was transferred.

Permanent transfers between Skilled Trades Classifications may be made upon the request of the Company, or an employee, if such transfers are mutually agreeable to the Company and the Committee. An employee permanently transferred to another Skilled Trades Classification shall have skilled trades seniority in the classification to which he/she is transferred, as of the date of his/her entry into the classification. The Company shall make such transfers subject to the grievance procedure.

20-13

Any qualified and certified where necessary, employee in the skilled trades may be temporarily transferred for a maximum period of thirty (30) days if within the same Skilled Trades Classification. Temporary transfers shall be made at the discretion of the Company. A temporary transfer shall in no case be considered to be a permanent transfer.

(See letter #8).

20-14

When it is necessary, in an emergency, for the Company to transfer a qualified and certified where necessary, employee in the skilled trades to protect production schedules or quality, the Company shall make such a transfer subject to the Grievance Procedure. When the employee so transferred can be released from the job, he/she shall return to his/her former job. It is understood and agreed that this Clause applies only to Skilled Trades Classifications. Under the terms of this Clause tradespersons may only be transferred from one classification to another. If due to an emergency the Company is required to transfer a tradesman the employee with the least seniority in the classification in the plant affected will be transferred, provided he/she is qualified and certified where necessary, to do the work.

(See letter #8).

APPENDIX 2 SKILLED TRADES - APPRENTICES

General

21-1

The purpose of this Appendix is to define the provisions governing registration, education, seniority, and all other matters peculiar to skilled trades apprenticeships.

21-2

Provisions of the Collective Agreement shall apply to all skilled trades apprentices except as altered by the provisions of this Appendix 2, or by the apprenticeship standards as established by the Joint Apprenticeship Committee.

Apprenticeship Committee

21-3

A Joint Apprenticeship Committee shall be established. This Committee shall be composed of an equal number of members, 3 from management and 3 from the local union, one of which will be the skilled trades chairperson.

In addition, the Bargaining Chairperson and the Human Resources Manager shall be ex-officio members and shall act as Chairperson and Secretary or vice-versa.

The function of this Committee shall be to advise on all phases of the Apprenticeship Training Program. This Committee shall meet quarterly and as required. At least two members of the Committee from the Union and two members of the Committee from the Company must be present in order to administer the Apprenticeship Standards.

Registration

21-4

All apprentices will be registered with the Ontario Department of Labour and the Ontario Department of Education. All apprentices will sign a written Apprenticeship Agreement with the Company.

Initial Education Requirements

21-5

An apprentice will be required to have a minimum of four (4) years high school credit or equivalent. The Joint Apprenticeship Committee may recommend additions or adjustments to these requirements as it pertains to a particular trade. Such recommendations will not take effect until approved by the Company and Union Bargaining Committees.

Ratio

21-6

The ratio shall not be more than one (1) apprentice to five (5) journeymen. In the event of a layoff or recall, the ratio shall be one (1) apprentice to eight (8) journeymen. The Company will endeavor to maintain these ratios.

The above mentioned ratio may be modified as the need arises upon approval of the joint apprenticeship committee.

School Attendance

21-7

Apprentices will be required to attend classes for related instruction. Any time spent in the classroom instruction will be paid for by the Company if the apprentice loses time from his/her regular work schedule as a result of school attendance.

The Apprenticeship Committee will establish a related progressive training schedule for the apprentices similar to that recommended by the C.A.W. Apprenticeship Standards, offering full

exposure to all aspects of the apprentices trade. The Company will arrange for the apprentices to attend such courses.

Completion of Apprenticeship

21-8

Upon completion of the apprenticeship, the apprentice will schedule and write the exam for the Ontario Certificate of Qualification as per their trade within six months from the date of completion of hours. The Joint Apprenticeship Committee may recommend to the Apprenticeship Branch, Ontario Department of Labour, that a certificate signifying completion of the apprenticeship be issued to the apprentice. No certificates will be issued by the Apprenticeship Branch, Ontario Department of Labour, unless approved by the Joint Apprenticeship Committee. An apprentice, upon completion of his/her apprenticeship and successful passing of the Ontario Certificate of Qualification exam, shall receive the journeyman's classification. The cost of the original exam and the day of lost time to write the original exam will be paid by the Company.

Seniority

21-9

Employees who enter the Apprenticeship Training Program shall retain their relative plant seniority (their seniority in production continues to run in order to maintain it's relative value) until such time as they complete their apprenticeship when the regular apprenticeship seniority rules shall apply. The apprentice will exercise his/her relative plant seniority at a time of layoff from the apprenticeship.

The apprentices will exercise their seniority in their own classification, in their own plant first. (For example, if there are four (4) apprentices in the Tool & Die classification and a reduction in this number is required due to lack of work, the first hired shall be the last laid off and the last laid off shall be the first to be reinstated. Apprentices laid off having a starting date senior to an apprentice in the same classification in the other plant shall displace the junior apprentice in the other plant. Laid off apprentices will be reinstated to any plant requiring an apprentice within their classification).

Upon satisfactory completion of the Apprenticeship Program, the apprentice will obtain skilled trades seniority as of the starting date of the apprenticeship.(The production seniority will now date back to end as of the starting date of the apprenticeship).

The above will become effective for apprentices entering an apprenticeship after June 1, 1980.

Apprentices in each of the trades covered by the standards shall be paid a progressively increasing schedule of wages as follows:

- 1st 1,000 hours -- not less than 65% of the
journeyman's wage rate.
- 2nd 1,000 hours -- not less than 70% of the
journeyman's wage rate.
- 3rd 1,000 hours -- not less than 75% of the
journeyman's wage rate.
- 4th 1,000 hours -- not less than 80% of the

journeyman's wage rate.
5th 1,000 hours -- not less than 85% of the
journeyman's wage rate.
6th 1,000 hours -- not less than 90% of the
journeyman's wage rate.
7th 1,000 hours -- not less than 95% of the
journeyman's wage rate.
8th 1,000 hours - not less than 95% of the
journeyman's wage rate.

Upon completion of 8000 hours, the Company will pay 100% of the journeyman's wage rate.

Except apprentices in the Tool and Cutter Grinder and Lab Technician Inspection, who shall be paid a progressively increasing schedule of wages, as follows:

1st 1,000 hours -- not less than 75% of the
journeyman's wage rate.
2nd 1,000 hours -- not less than 80% of the
journeyman's wage rate.
3rd 1,000 hours -- not less than 85% of the
journeyman's wage rate.
4th 1,000 hours -- not less than 90% of the
journeyman's wage rate.

Upon completion of 4000 hours, the Company will pay 100% of the journeyman's wage rate and the employee will receive journeyman's status.

The applicable Cost of Living Allowance between anniversary dates of the contract will be paid as an add on to the base rate of the apprentice from his/her starting date until the date of completion of the apprenticeship.

Within forty-five (45) days after starting in an apprenticeship program, the Company will furnish the apprentice with a toolbox, which will become the property of the apprentice upon completion of this apprenticeship. If requested, Management and/or the Apprenticeship Committee will assist the apprentice in obtaining tools.

At the commencement of his/her apprenticeship, an apprentice will receive \$500.00 for the purchase of tools, if required. Upon satisfactory completion of 2,000 hours the apprentice will receive an additional \$300.00. The apprentice will receive an additional \$200.00 for each increment thereafter (4,000; 6,000 and 8,000 hours).

The apprentice will submit a receipt for tools purchased to his/her respective Personnel Department prior to receiving his/her next increment. The Apprenticeship Committee will review the tools purchased and advise the apprentice of the tools that are necessary.

Upon graduation, the apprentice will receive the balance, if any, of the total tool allowance, to a maximum of \$1400.00.

(See letter #25).

APPENDIX 3 PLANT RULES AND REGULATIONS

General

22-1

The Safety and Plant Rules included in this Appendix 3 are hereby made a part of the Collective Agreement.

22-2

The following rules define certain fundamental Safety and Plant Regulations. They are established to protect the safety and well being of all employees, to protect the property of the Company, and to insure the co-operation of all persons concerned in maintaining a safe, clean place to work.

THESE RULES ARE FOR YOUR PROTECTION

22-3

Violation of any of these rules is sufficient grounds for disciplinary action ranging from reprimand to dismissal.

1. Safety glasses, goggles, face shields, safety shoes, hard hats and other personal protective equipment must be worn at all times on jobs, in areas, and plants where specified.
2. Do not operate any piece of equipment or do any class of work other than assigned by your supervisor.
3. Do not operate your machine unless all guards are in place.
4. Do not remove "danger tags" placed on dangerous machinery or equipment except by permission of the General Supervisor. All tradespersons will be supplied with locks and lockout procedure. The tradesman who puts on the lock is the only employee authorized to remove it.
5. Shut down machines before cleaning, oiling or adjusting.
6. Do not wear rings, flowing ties, loose or dangling clothes or sleeves or any other item of apparel that might be caught or entangled on a machine or machine operation, such as rotating shafts, spindles, gears or belts.
7. Use a brush, hook, or stick to remove chips or shavings from machines.
8. Never tamper with or adjust electrical equipment. Call for an electrician.
9. Using compressed air for blowing dust from clothing is forbidden. Never direct a stream of compressed air towards your own body or that of any other person.
10. Do not overload trays or equipment.
11. Obey warning signals. Trucks and crane horns are for your protection and must be obeyed.
12. Do not drive trucks, towmotors, etc. at excessive speeds. Sound horn at all intersections and other specified areas.
13. Riding as a passenger on trucks, towmotors, etc. is dangerous and forbidden.
14. Place materials so that they will not obstruct aisles, exits, stairs, ladders, fire fighting equipment or electrical controls.
15. Broken tools and equipment, or tools with mushroomed heads are to be replaced or repaired before using.
16. Do not engage in "horseplay" or any unsafe acts.
17. Frame assembly welders are to wear approved, nonflammable clothing.

18. Protect yourself and fellow workpersons through "good housekeeping". Help keep the plant clean and tidy.

"WORK SAFELY"

22-4

Violation of any of the following rules is sufficient grounds for disciplinary action ranging from reprimand to dismissal.

1. Smoking in prohibited areas.
2. Reporting for work under the influence of alcohol or non-prescribed drugs, carrying or consuming alcoholic beverages or non-prescribed drugs on Company property.
3. Threatening or assault of a supervisor or employee, brawling, fighting, or horseplay on Company property.
4. Theft from the Company or fellow employees.
5. Malicious or careless destruction of Company property.
6. Defacing or unauthorized use of plant bulletin boards.
7. Misuse of equipment or violating operating instructions for vehicles and equipment.
8. Insubordination or refusal to perform work requested by a supervisor or anyone above the level of supervisor.
9. Ringing time card for another employee.
10. Falsifying pay record. Incorrect or inaccurate information on time card. Failure to turn in time card at the end of each shift.
11. Washing or preparing to leave before the proper time. Tardiness in reporting to the job after clocking in. Loitering in washroom or on Company property.
12. Gambling on Company property.
13. Habitual absenteeism and lateness.
14. Ignoring or continued violation of safety rules or common sense safe practice.
15. Ignoring or continued violation of plant parking lot rules. Violations of posted speed limits on Company property.
16. Changing assigned job without authority of the supervisor or anyone above the level of supervisor.
17. Leaving the plant before end of shift without authority.
18. Leaving assigned workstation without authority.
19. Producing excessive scrap or rework.
20. Employees must, on request, make available their lunch pails, lockers, tool boxes, etc., for inspection by the Company or its representatives.
21. Failure to notify the Company when you are to be absent from work prior to the beginning of your scheduled shift.
22. Failure to work agreed to overtime will be considered unexcused absence. Employees will be deemed to have agreed to work weekend overtime if they have not cancelled by 11:00 am on the day prior to their scheduled overtime shift.

"BE A GOOD CITIZEN"

22-5

Violation of any of the following rules is sufficient grounds for disciplinary action ranging from reprimand to dismissal.

1. Picking up pallets. First, space forks as wide as possible, to provide more even distribution of weight. Second, space forks evenly from center stringer to balance the load. Third, when engaging pallet, keep forks level - don't drag them on the floor.

2. Only properly trained and authorized personnel should operate industrial trucks.
3. Know the load capacity of your truck and don't exceed it.
4. Before putting a truck in operation, test brakes, steering controls, horn and other devices for safety and ease of operation.
5. Report faulty performance to your supervisor without delay. Adjustments and repairs should be made only by authorized personnel.
6. For travel safety, mark truck routes, keep aisles clear and obey all traffic rules and warning signs.
7. Lift with mast vertical or tilted slightly back - never forward. Lift loads smoothly and slowly - avoid sudden jerks.
8. Tilt elevated load forward only when directly over unloading place - and with load as low as possible.
9. Never travel with load raised. Carry load as close to floor as possible with mast tilted slightly back to cradle load.
10. Never lift or lower loads while truck is in motion.
11. Slow down at cross aisles, sharp curves, ramps, dips, blind corners, - on wet, slippery or rough floors, in congested areas and when vision is limited or obstructed.
12. Sound warning device at exits, corners, elevators and when approaching pedestrians.
13. Do not move a questionable or unsafe load. Inspect first for overload, loose materials, poor balance.
14. Position loads evenly on forks for proper balance.
15. Drive in reverse when carrying load down ramp or incline and look in the direction of travel.
16. Keep load against carriage with mast tilted backward.
17. When lifting, lowering and carrying loads, keep mast vertical or tilted back - never forward.
18. Avoid stunt driving and horseplay.
19. Start and stop trucks gradually and slowly. Always look around before starting.
20. Check dockboards into trucks and cars for width-strength-security.
21. Slow down and avoid uneven surfaces.
22. Travel a safe distance from other vehicles.
23. Don't haul riders. Don't use a truck to move a load for which it is not designed.
24. Keep arms, legs, and other parts of the body within dimensions of the truck.
25. Park truck with forks flat on floor.
26. When leaving truck, shut off engine, set parking brake and remove ignition key. Chock wheels on incline.
27. Observe floor load limits and overhead clearance.
28. Watch rear end swing.
29. Use special care when placing materials near heaters, electrical wiring, pipes or other fragile or dangerous equipment.
30. Don't let fork tips strike any objects.
31. For better vision, drive backwards with bulky loads - always look in the direction of travel.
32. Use care in high stacking - watch for falling stock.
33. Use care when handling long lengths of bar stock, lumber, etc. - watch swing.
34. Keep clear of edge of loading docks.
35. Never stand or pass - or permit anyone else to stand or pass under elevated forks.
36. Avoid lifting loads with one fork.
37. Don't block traffic. Park in authorized areas only.

- 38. Trucks should be refueled at locations specifically designated for that purpose.
- 39. Don't smoke while fuel tank is being filled, LP-gas container replaced or battery charged - or if there are traces of fuel on the engine.
- 40. Don't daydream. Expect the unexpected. Keep mind on operating truck - stay alert - stay alive. Enjoy operating your lift truck.

APPENDIX 4 WAGE RATES

General

23-1

The following classifications, wage rates and conditions under which they are applicable as outlined in the following sections of this Appendix 4 are hereby made a part of the Collective Agreement.

23-2

Wages, rates and classifications as outlined in sections 23-4, 23- 5, 23-6, 23-7, 23-8, will be effective as of June 1, 2004 and will remain in effect until midnight May 31, 2007.

23-4

WAGES

General Wages:	Year 1 June1/04	Year 2 June 1/05	Year 3 June 1/06
Skilled Trades	\$0.35	\$0.35	\$0.30
*Production	\$0.40	\$0.40	\$0.00
Non-Production	\$0.30	\$0.25	\$0.25

*factored into base rates for all production jobs.

23-5

**OBJECTIVE RATES:
(excluding Cost of Living)**

**SPICER DRIVESHAFT, THOROLD PLANT
(Effective June 1, 2004)**

DEPT.	CODE	D/W RATE	OBJ. RATE
611	7	16.58	16.63
615	7	16.50	16.55
620	7	16.10	16.15
620A	16	18.15	18.20
620	16	18.13	18.18
621	16	18.16	18.21
25	16	18.10	18.15
624	16	17.63	17.68
625	7	16.01	16.06
625	16	16.24	16.29
625A	16	18.09	18.14
626	7	16.24	16.29
626	16	16.20	16.25

626A	16	17.82	17.87
626B	16	17.81	17.86
724	7	18.09	18.14
27	16	18.21	18.26
27	7	17.52	17.57
627	7	16.14	16.19
627A	16	17.86	17.91
627	16	16.26	16.31
628	16	18.15	18.20
629	16	18.28	18.33
630	16	15.92	15.97
631	34	17.62	17.67
632	34	19.14	19.19
634	7	16.67	16.72
637	34	19.39	19.44
650	7	17.65	17.70
725	7	17.50	17.55
725	16	17.74	17.79
726	7	19.48	19.53
670	16	17.06	17.11
624	16	17.63	17.68

STRUCTURAL SOLUTIONS THOROLD FRAME PLANT

DEPT.	CODE	D/W RATE	OBJ RATE
220	9	15.95	16.00
220	16	15.95	16.00
230	9	17.64	17.69
230	16	17.65	17.70
235	9	17.64	17.69
235	16	17.65	17.70
240	17	16.79	16.84
250	17	16.79	16.84
930	16	17.60	17.65
931	9	18.30	18.35
932	9	16.59	16.64
933	9	18.26	18.31
934	9	17.46	17.51
934	17	17.50	17.55
935	17	20.12	20.17
937	17	19.41	19.46
938	17	19.42	19.47

23-6

**CODED PRODUCTION HOURLY DAY RATES:
(excluding cost of living)**

Code	Classifications	June 1/04	Oct 31/04	June 1/05	June 1/06
19DW	Production Workers not running production	\$22.20	23.20	23.60	23.60
20DW	Prod. Workers not running prod. on new jobs	18.40	19.40	19.80	19.80
42DW	Mgmt.-Union Meetings	22.49	23.49	23.89	23.89
45DW	Set Up SDD	24.14	25.14	25.54	25.54
45DW	Set Up Frame Plant Press	24.14	25.14	25.54	25.54
84DW	Robotic Technician Fr. Plant	22.67	23.67	24.07	24.07
90DW	Parts Washer	22.34	23.34	23.74	23.74
92DW	Trackmobile Oper. who has passed test	22.37	23.37	23.77	23.77
93DW	Paint Shop- Frame repair	22.51	23.51	23.91	23.91
94DW	Frame Handler	22.21	23.21	23.61	23.61
96DW	Stacker	22.29	23.29	23.69	23.69
97DW	Labourer	22.10	23.10	23.50	23.50
98DW	Sweeper	22.05	23.05	23.45	23.45
99DW	Stock mover	22.21	23.21	23.61	23.61

23-7

**NON-PRODUCTION HOURLY DAY RATES
(excluding Cost of Living)**

Code	Classifications	June 1/04	Oct 31/04	June 1/05	June 1/06
360	Q.C. Inspector	\$22.17	23.17	\$23.42	\$23.67
362	S.P.C. Inspector	24.15	25.15	25.40	25.65
390	Oiler	22.11	23.11	23.36	23.61
400	Shipper/Receiver	22.11	23.11	23.36	23.61
410	Stockmover/ Storekeeper	22.11	23.11	23.36	23.61
420	Labourer	22.00	23.00	23.25	23.50
42S	Sweeper	21.95	22.95	23.20	23.45

23-8

**NON-PRODUCTION - SKILLED HOURLY - DAY
RATES
(excluding Cost of Living)**

Code	Classifications	June 1/04	Oct 31/04	June 1/05	June 1/06
500	Electrician	\$27.70	\$28.70	\$29.05	29.35
50T	Electrician Technician	28.00	29.00	29.35	29.65
640	Die Maker (Upsetter-SSD)	28.14	29.14	29.49	29.79
670	Machine Repair	27.70	28.70	29.05	29.35

67T	Machine Repair Technician	28.00	29.00	29.35	29.65
690	Tool & Die Maker	27.78	28.78	29.13	29.43
69T	Tool & Die Technician	28.08	29.08	29.43	29.73
710	Tool & Die Inspector	27.78	28.78	29.13	29.43
730	Tool & Cutter Grinder	26.33	27.33	27.68	27.98
780	Lab Worker	26.33	27.33	27.68	27.98
810	Mill Wright	27.47	28.47	28.82	29.12
830	Pipefitter	27.47	28.47	28.82	29.12
83F	Pipefitter - Fluidics	27.67	28.67	29.02	29.32
83C	Pipefitter Technician	27.97	28.97	29.32	29.62
	Plate Inspector	27.78	28.78	29.13	29.43
870	Welder, Tool & Die Maintenance	27.72	28.72	29.07	29.37

APPENDIX 5

PENSION PLAN

24-1

The "Agreement Covering Pension Plan" effective the first day of June , 2004 is hereby made part of the Collective Agreement.

APPENDIX 6

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

25-1

The "Agreement Covering Supplemental Unemployment Benefit Plan" effective the first day of June, 2004 is hereby made a part of the Collective Agreement.

Letter #1

June 8, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: FACTORING DATES

During our 2004 negotiations, we discussed the application of factoring.

When wage increases are negotiated, wages for product incentive employees will be factored into the objective rates based on productivity efficiency.

The data used to determine that efficiency will be the period July to April in the particular year prior to the increase.

If it is determined that COLA will become part of the objective rate for incentive employees, the same information will be used.

When factoring process is implemented for COLA, it shall be added directly to the non-incentive rates.

Yours truly,

Paul Teeple
Vice-President, Human Resources
Dana Canada Corp.

Letter #2

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: BREAKS

During our 2004 negotiations, we discussed at length the rest and lunch break periods in each of the plants.

The Company recognizes the desirability of having regular rest and lunch breaks in each plant. With regard to the Frame Plant Maintenance Department, it is agreed that staggered breaks will be scheduled with the understanding that in the case of emergency breakdown, lunch breaks may be interrupted. The practice of interrupted lunch breaks will be kept to a minimum and used in emergency cases only.

The rest periods will continue to be part of their personal time allowance per Clause 14-3 of the Collective Agreement.

Yours truly,

Jim Hale,
Human Resources Manager
Thorold Frame Plant

Letter #3

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PLANT ZONING FOR UNION REPRESENTATION

During our 2004 negotiations, zoning of the plants for Union Representation with respect to coverage under the Collective Agreement by Stewards and Committeepersons was discussed.

It was pointed out by the Company that in the past problems had been created when more than one representative in the same department assigned to the same shift requested leaves of absence for Union business to attend Committee meetings.

In the past the Union has taken the responsibility for ensuring that there is no overlapping of Union representation in any one department.

It was agreed that the Union will continue to see that the above arrangements for equal representation throughout the two plants are carried out.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #4

June 9, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PLANT CLOSURE

During the 2004 negotiations, discussions took place concerning the possibility of a partial or full plant closure as defined by the Employment Standards Act, taking place during the life of the Collective Agreement.

The Company assured the Union that should the decision be made to close (partially and/or fully) a Dana Canada Corp. facility covered by our Collective Agreement with C.A W., Local 676, a meeting will be arranged with the Bargaining Committee. The purpose of this meeting will be to advise the Bargaining Committee of the reasons, and to discuss the procedures to be followed to facilitate the closure, and minimize the effects on our employees.

Measures to minimize these effects may include severance pay and/or lump sum payments (which would be in addition to those payments required by legislation), enhanced early retirement provisions, as well as any other measures which the parties agree upon.

This meeting will be arranged as far in advance of the closure as possible.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #5

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

**SUBJECT: DOWN TIME CODES FOR SPICER DRIVESHAFT, THOROLD PLANT
UPSETTERS**

During our 2004 negotiations, downtime codes on Upsetters in the Spicer Drive shaft, Thorold Plant were clarified as follows:

- (1) Set-up (including waiting for die polish) - Code 19. This applies to both two and three man crews.

NOTE: While waiting for die polish the Supervisor may transfer the operators to other available jobs and the respective codes will be used.

- (2) Down time for three man crews - Code 19.

Examples: (a) off-die condition,
(b) tighten down die blocks.

- (3) Down time for two man crews-normal adjustments to machine, dies, etc, are covered in the 7 minutes per hour miscellaneous.
- Abnormal conditions - Code 45.

- (4) Stockmoving outside department - Code 19.

- (5) Waiting for stock - Code 19.

- (6) Machine breakdown - automatically transferred to available jobs or sent home if no other work.

- (7) Complete major change over – Code 45.

Note: All non-productive labour must be brought to the attention of the supervisor.

Yours truly,

Rick Marshall

Human Resources Manager
Thorold SDD Plant

Letter #6

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: CAW APPEALS PROCEDURE

During our 2004 negotiations, we discussed the C.A.W. constitution appeals procedure.

It was agreed that when the resolution or withdrawal of any grievance is subsequently appealed through the appeals procedure established by the C.A.W. constitution appeals procedure, and such appeal is upheld, the grievance shall be considered timely and shall be processed to the appropriate step of the grievance procedure.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #7

May 27, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: SUB-CONTRACTING

It is the policy of the Company not to contract out work when it has the people, skills, equipment and facilities to do such work, always provided that the Company can do such work as economically and efficiently as it can otherwise be done. The Company will endeavour to maintain the appropriate level of skilled trades people, machinery and equipment and to provide any necessary training to upgrade any skills that may be required to retain such work, thus fully utilizing its own trades people.

The Company will not contract out or have outside contractors in at any time that there is a skilled tradesman on layoff who is available and has the qualifications and ability to do the work required.

There may, however, be times when the Company is obliged to contract certain work to outside contractors. The following procedure will be followed:

- (1) Certain work that may continue to be contracted out will be identified in discussion with the Skilled Trades Committee. It is also agreed that work that, at the signing of this Agreement, is contracted out will wherever possible be brought back into the Company's plant.
- (2) Prior to skilled trades work being contracted out, the Company and designated Union representatives will meet to discuss the nature, scope and approximate dates the work will be performed. The equipment, skilled tradesmen, facilities, etc. required and the reason why the company is required to sub-contract will also be discussed. Seven (7) days notice of the Company's intent to contract out work will be given to the designated Union Representatives.
- 3) In the event of an emergency situation during the off shift or on the weekend, the Company may have to contract out skilled trades work to ensure the future continuity of employment for our employees and/or to fulfill our customer requirements. Should this occur, the Company representatives will meet with the designated in-plant Union representatives to explain the situation on the workday immediately following the emergency situation.
- (4) During a plant shutdown for vacation, the Company will utilize the skilled tradesmen wherever possible, within their respective trade and plant. The Company will maintain a

ratio of not less than one Company skilled tradesman for every one contracting tradesman within the required trade.

Should the number of required Company skilled tradesmen not be attained, the Company will bring in additional outside tradesmen, as required.

In many instances it may be to our mutual advantage to utilize our own equipment and manpower. However, to do this, the Company will require assurances that the required manpower will be available, including overtime, and that continuity of individual skills will be fully considered.

The Union can rest assured that the Company will keep contracting out and sub-contracting to a minimum and has no policy change in mind to reduce work available to our Skilled Tradesmen through the use of outside contractors. We will continue to be interested in maximum employment for all our people.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #7A

May 7, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: FULL UTILIZATION OF SKILLED TRADES EMPLOYEES

During our 2004 negotiations, we discussed at length the definition of full utilization of the Skilled Trades when outside Skilled Trades contractors are employed by the Company. We recognized that there are many different scenarios for which outside contractors are used:

1. Contractors employed to perform unplanned “emergency” work:
(i.e. a situation beyond the control of the Company).

Company requires contractors in a specific trade to perform emergency work that lasts a maximum of 48 hours (2 days), consecutive hours, then the Company has no obligation to offer it’s trades people overtime work. Should this emergency work continue in excess of 48 hours (2 days), consecutive hours, then the Company owes that trade an equivalent of hours worked (Person for Person – Hour for Hour). If this emergency work extends past five (5) days, then full utilization (7 days a week, 8 hours a day) will apply.

2. Contractors performing non-emergency work, in excess of 20 hours, created by work-overload:

The trade involved will be fully utilized on the following weekend. If outside contractors work outside the normal 8 hours, then the trade affected will be offered (hour for hour – person for person).

Exceptions:

- a) Contractors performing non-emergency work, caused by an absence of Dana Skilled Trades employee(s):

The trade in the plant involved will be offered 12-hour shifts for the time involved prior to the use of outside contractors. The Company has no full utilization responsibility in this instance unless the work extends into the weekend.

- b) Contractors performing non-emergency work, for 20 hours or less, created by work-overload:

Dana Canada Skilled Trade's employees in the trade in the plant involved will be offered 12-hour shifts for the time involved prior to the use of outside contractors. In this instance, the Company has no full utilization obligation, unless the work extends into the weekend.

3. When the Company requires contractors to perform the installation of new equipment:

There will be no layoffs in the trade affected as per Letter #7. The Company agrees to discuss the work projects with the Bargaining Committee, in advance, in an attempt to identify areas where Dana Skilled Trade's employees may be utilized. These discussions will be conducted in the spirit of Letter #7 of the Collective Agreement. It is the Company's intention and commitment to assign Dana Canada people of the appropriate trades to assist in the installation and learn about the equipment. The people assigned will work on this project, the same hours as the outside contractors for the duration of the installation. If the contractors work overtime (either daily or on weekends) then the Company will offer the trade affected an equal amount of overtime (person for person – hour for hour). If the contractors do not work overtime, then the Company is not obligated to offer overtime to the trade involved. Under these circumstances, the Company is not obligated to have the trade fully utilized.

4. It is understood that prior to using outside contractors for weekend service work, skilled trade's people in the appropriate trades, will be offered the available hours on the shift of their choosing.

When asking for overtime the Company shall:

- a) Ask the worker in the proper order as per contract.
- b) When a worker cannot work his required shift, the worker shall:
Let it be known if he/she can work any of the other shifts being worked.
- c) The Company shall fill any leftover openings for overtime by re-asking employees available for the required shift.
- d) Only after finding none available shall outside contractors be considered to fill these open jobs.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #8

June 4, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: LINES OF DEMARCATION

During our discussions at the 2004 negotiations regarding Skilled Trades, the problems of Lines of Demarcation were agreed to as follows:

The Company agrees that they will not use one Skilled Tradesman to perform the work of another Skilled Trade except as provided in Clauses 20-4, 20-13 and 20-14.

The Company and the Union further agree to the principle of each trade doing only that work which falls within that classification.

Whenever a problem arises regarding the crossing of Skilled Trades, the Union Representative in the plant concerned will meet with a Representative of the Company in the same plant to try to solve the problem. If the problem is not resolved at this stage, a meeting will be held within three (3) working days between the Skilled Trades Committee and the Company Committee to solve the problem.

The Company will appoint three (3) representatives who are knowledgeable in Skilled Trades to meet with three (3) Skilled Trades Representatives of Local 676 on a monthly basis to resolve any problems regarding Lines of Demarcation. The two (2) Plant Chairpersons and General Managers may attend the Skilled Trades Committee meetings as ex officio.

Below are listed some job descriptions in the Skilled Trades. Other job descriptions regarding miscellaneous work assignments, or multi-trade deviations while working on a single component may be the subject matter of the monthly Lines of Demarcation committee meeting. Any increase or decrease of this language is subject to mutual agreement.

Millwright - dismantles, moves, installs, and aligns machines, plant equipment, conveyors, furnaces (heat treat), sand blasts, tack welds, removes and replaces electrical motors, excluding electrical hook ups.

Pipefitter - installs, repairs and maintains steam, water, air, oil and acid pressure systems, repairs pumps, valves, traps, sewage plumbing and pneumatic systems.

Machine Repair - repairs, adjusts, disassembles, replaces parts and reassembles machines, mechanical and hydraulic equipment and makes new parts.

Tool and Die Maker - builds, repairs, remodels, maintains and installs all types of tools, dies (excluding forging), jigs, fixture and gauges, and die tryouts.

Electrician - installs, assembles, maintains and replaces all kinds of electric and electronic equipment.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #9

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: SKILLED TRADES REPLACEMENT OF BROKEN TOOLS

During our 2004 negotiations, we discussed the current practice of replacing the Skilled Tradespersons's tools that break in the course of repairing Company property.

In order for the Tradesman to get his/her broken tools replaced, he/she will have to submit his/her broken tool to his/her supervisor. The supervisor will then make the necessary arrangements to replace the broken tool. Broken tools will be replaced with the same tool or one of equal value.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #10

May 12, 2004

Mr. Dave Smith
Bargaining Chairperson,
C.A.W. Local 676
20 Walnut Street,
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: ROBOTIC TECHNICIANS

During our 2004 negotiations, the Company and the Union discussed special circumstances that occur when employing Robotic Technicians in the Plants. Both parties agreed to the following procedure:

- When the Company has an open job for a Robotic Technician, a bid sheet will be posted in the Department concerned for twenty-four (24) hours. All employees in the Department will be eligible to apply for the job.
- All bidders will be required to write a test of competency for the position. Only those applicants that achieve an adequate test score (70% or greater) will be considered for the job. Should more than one applicant achieve an adequate test score, seniority rules will apply.
- Pay for Robotic Technicians will be as follows:
 - Line rate for the line that they are assigned for all productive time during their shift
 - Code 84 for all downtime on the assigned line.
- Overtime shall be allocated to Robotic Technicians as per Clause 10-15 of the Collective Agreement.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #11

April 30, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: GROUP INCENTIVE IN THE SPICER DRIVESHAFT, THOROLD PLANT

During negotiations, the subject of Group Incentive in the Spicer Driveshaft, Thorold Plant was discussed.

The results of these discussions are as follows:

- (a) all groups in the Spicer Driveshaft, Thorold Plant will remain on individual incentive.
- (b) It is agreed by both parties that if the Company can find a solution to the problems encountered since the implementation of group in the SDD Plant, the Company will ask the people involved in any line to vote in favour of or against the implementation of group.

This letter does not preclude the Company's right to implement group based on the above conditions and in keeping with Clause 14-16 of the Collective Agreement.

Yours truly,

Rick Marshall
Human Resources Manager
Spicer Driveshaft Division
Thorold Plant

Letter #12

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: OVERTIME ASSIGNMENT DURING CHRISTMAS SHUTDOWN HOLIDAY

This will clarify the intent of our discussion at the 2004 negotiations regarding the assignment of overtime during the Christmas Shutdown.

Any department requiring employees to work during the Christmas Shutdown will post a notice on the bulletin board informing of the days of work available. Employees who desire to do the available work may place their names on the list. The notice will be posted at least seven (7) days prior to the scheduled work shift of December 12 in the department concerned. Only employees who respond by the end of their shift December 12 will be offered work during the shutdown period and will be charged with the overtime hours agreed to work.

Overtime will be offered to the employees who respond as per Clause 10-15 using the overtime hours of December 12. Employees who do not respond will not be charged overtime hours (Clause 10-15 (b)).

Any emergency work that is required after December 12 because of breakdowns or other emergency situations that will require employees to work the shutdown will be assigned to those who volunteered by December 12. If the additional emergency requirements are not filled by employees from the list, the excess additional work will be posted in the department concerned as soon as possible. Only employees who respond within forty-eight (48) hours will be offered the overtime. The selection of employees will be as stated in the above paragraph.

Work will be assigned to the employees who respond in an equitable manner, provided they can do the work. It is understood and agreed that some jobs in the Skilled Trades will be subject to work continuity and will be assigned on this basis.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #13

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: HOLIDAY PAY QUALIFICATION

During our 2004 negotiations, we discussed the intent of Clause 12-3. It was agreed that there may be circumstances which prevent an employee from being at work the day immediately preceding and immediately following a holiday in order to qualify for holiday pay. When such circumstances occur, consideration will be given to qualify the employee for holiday pay providing the reason for his/her absence is presented to the Human Resources Manager. Employees with valid reasons who apply in advance for leave of absence for the day before or after a holiday will be granted such leave providing their supervisor approves of the leave and providing such leave does not impair the Company's commitments to customers.

The Company and the Union agree that the intent of this procedure is to recognize an employee who has a bona fide absence or is excused immediately preceding or following a holiday. It is not a procedure to recognize employees who are absent without cause on the qualifying days.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #14

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: LEAVE OF ABSENCE

During our 2004 negotiations, the Union requested a Letter of Intent regarding employees who request a Personal Leave of Absence. This letter is in response to your request.

The Company agrees with the principle that employees should be granted a Leave of Absence providing such a leave does not impair the Company from meeting its commitments to customers or production schedules.

When such a leave of absence is requested, the employee's vacation schedule may, if he/she desires, be adjusted to coincide with such request to minimize the amount of personal leave required.

All requests for such leave must be presented to the Human Resources Manager.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #15

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: ASSISTANCE FOR EMPLOYEES ADDICTED TO ALCOHOL OR DRUGS

During our 2004 negotiations, the Company and the Union discussed our mutual concern for employees who are addicted to alcohol or drugs. Our concern was for the safety and well-being of these persons and the effect addiction has on their lives generally.

The Company is prepared to meet with representatives of Local 676 to consider a procedure to help these individuals who request assistance and have an obvious problem of addiction. Such procedure may include professional assistance, counselling and guidance.

We agree that the purpose of such a procedure would be to motivate addicted individuals to overcome their problems. While we may be sympathetic toward an individual's problem, the purpose of any program will be rehabilitation and it is expected that the addicted person will respond.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #16

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: TRANSFERS WITHIN DEPARTMENTS

During our negotiations in 2004, we discussed the intent and application of Clauses 9-52 and 9-53. It was agreed and understood that department supervisors may transfer employees within a department to balance the work force as necessary. Further, when it is necessary to transfer an employee from job to job within a department, the junior seniority employee will be transferred whenever possible, providing he/she can perform the required work.

The purpose of these Clauses is to cope with emergency and unusual situations, not to capriciously transfer employees without reason. Should a transfer be made without reason, it may be subject to the grievance procedure.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #17

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: STRIKES AND LOCKOUTS

During our 2004 negotiations, we discussed the possibility of legislation changing with regard to strikes and lockouts. Currently, any strike is illegal during the term of a Collective Agreement.

This is covered under the terms of our contract, Clause 8-1, and also under Section 60 of the Ontario Labour Relations Act. There is no intent on the part of the parties to change either the current meaning or intent of the Collective Agreement or the O.L.R.A. and in view of this, it would not be appropriate to modify our current Clause 8-1 of the Collective Agreement.

Should the applicable Provincial laws change to allow employees to conduct a legal strike during the term of this Agreement, the parties agree to meet and amend Clause 8-1 to conform with the change in law.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #18

April 28, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PARENTAL LEAVE/COMPASSIONATE LEAVE

During our 2004 negotiations, we discussed the changes in the Employment Standards Act as it applies to pregnancy, parental and compassionate leave of absence.

It was agreed that the Company would abide to the above leaves as outlined in the Employment Standards Act.

All benefits will be paid for during the period which you would be away from work on the above mentioned leave of absences, however no wages will be payable by the Company.

It was further agreed that should a leave of absence be required for the above, the Company and the union will meet to discuss the application of Clause 9-29 to such a leave.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #19

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

**SUBJECT: PLANT SHUTDOWN DUE TO WEATHER
CONDITIONS**

During our 2004 negotiations, we discussed the possibilities of severe weather conditions causing a plant shutdown.

It was agreed that any day the Company gives notification by public announcement or otherwise of a plant shutdown due to severe weather conditions, short workweek benefits shall be paid to all affected employees providing it falls within the S.U.B. Regulations.

Any day that the plant is forced to shut down because of absenteeism of employees due to severe weather conditions, short workweek benefits shall be paid to all employees reporting for work providing it falls within the S.U.B. Regulations.

The Company agrees that in determining whether the plant should attempt to operate during severe weather conditions, consideration shall be given to the severity of the conditions, actions of other employers in the area, and advice or decree issued by local or other authorities.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #20

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: FACTORING

During our 2004 negotiations, we discussed at length the mutual problems created by our factoring method.

In order to overcome these difficulties, we have mutually agreed on the following modifications:

- (1) In the future any negotiated add-on monies to be factored will be dealt with by increasing the objective and day work rates by an amount determined by the productive earnings efficiency.
- (2) The productive earnings efficiency will be determined by data collected during the period from July to April, inclusive, each year. Downtime will not be included in these calculations.
- (3) We will use the factoring areas presently established and continue to mutually review their appropriateness and adjust them if required as in the past.
- (4) We recognize that, when factoring without downtime, the employee may not have the opportunity to earn his/her full-negotiated monies while on day work during his/her normal operation. At the time of factoring, we will determine the employee's daily average earnings using the data collected and adjust the objective rate to provide the opportunity to earn the full-negotiated monies during his/her normal operation.

This is based on the principle that factoring should cost the Company no more and the employee should receive no less than the negotiated money.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #21

May 14, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.,
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

**SUBJECT: LETTER OF UNDERSTANDING RE: LINES
OF DEMARCATION**

During the 2004 negotiations, the Company and the Bargaining Committee of Local 676 discussed the need to change some miscellaneous work assignments or multi-trade deviations while working on a single component.

It was agreed that these changes are to give our Trades people more flexibility in order to maximize our productive time and decrease our downtime. In order to accomplish this vital operation it was agreed by both Bargaining Committees to activate the Joint Skilled Trades Committee; to meet monthly; to identify the multi-trade deviations; to determine the method and procedure and if required, the training to be instituted in order to implement these mutually agreed changes. They can also be instrumental in assisting in areas of production by helping to establish safe and productive procedures in areas of set-up etc. This committee will be required to report on their progress, on a quarterly basis, to the Bargaining Committees of the Company and Local 676.

The purpose of these changes are to enable a trades person, if mutually agreed, to complete an entire job from start to finish unless identified as a safety related item.

It is agreed by both Bargaining Committees that once these changes are implemented, they will supersede any previously negotiated language pertaining to the specific items. Furthermore, these items will remain in effect until either the next set of negotiations or unless mutually agreed to change by the Joint Skilled Trades Committee.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #22

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: BENEFIT ADMINISTRATION

During our 2004 negotiations, we discussed the problems arising from the administration of benefits by our carrier, Sun Life Assurance Co.

It was agreed by both parties, the Company and the Union, that we will meet on a quarterly basis with a representative from Sun Life to discuss problems, with the objective to mutually resolve such problems.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #23

May 19, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: MAJOR SET-UPS

Listed below are the operations considered to be major set-ups for which Code 45 will be paid. Major set-ups mean a complete series change which will be for the major (4 hours)portion of a shift.

It is the intent of the Company to apply the studied incentive rates to cover these operations:

Journals

Badger
City Sleeve Machine

New equipment received in the future, if considered as a major set-up, will have incentive applied or Code 45 until a rate is applied.

Any operations omitted when this list was prepared can be referred by the Union for discussion with the Company and if proven to be major will fall in this category.

Yours truly,

Rick Marshall
Human Resources Manager
SDD Thorold Plant

Letter #24

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario.
L2T 1H5

Dear Dave:

SUBJECT: INCENTIVE WORKERS PAY FOR SPECIAL CIRCUMSTANCES

During our 2004 negotiations, we discussed pay for incentive workers under special circumstances. To clarify this, the following will apply to incentive workers:

Down time authorized by the supervisor at the time of the down time, pay at day work rate.

Assigned to sweeping, other than the operator's own work area, pay at rate of sweeper.

Assigned to teach a new operator, authorized by the supervisor, pay at YTDA.

Attending safety meetings by the Joint Health and Safety Committee, Safety Representatives Committee meetings, EFAP meetings, Fire Department meetings authorized by the supervisor and Joint Safe and Early Return to Work Committee, pay at year to date average.

D.C.E.A. meetings and all other safety meetings during working hours and authorized by the supervisor, pay at Code 19/20.

All other rates of pay will be as per the Collective Agreement.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #25

April 29, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario.
L2T 1H5

Dear Dave:

SUBJECT: METRIC TOOLS

During our 2004 negotiations, we discussed the pending conversion to the metric system and its effect on skilled tradespersons's tools.

The Company will make available, when required, the metric measuring instruments or tools for the performance of their work. Such tools will be available through a checkout system.

Conversion tables or other alternate means of utilizing tools and instruments for the metric system may be used and will be supplied to skilled tradespersons. Except as herein provided, the present requirement for skilled tradespersons to provide their own tools necessary to perform their duties is not changed or altered.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #26

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

**SUBJECT: EXTREME HEAT CONDITIONS IN THE SPICER DRIVESHAFT DIVISION
THOROLD PLANT AND THE THOROLD FRAME PLANT**

It is the intent of the Company to recognize the extreme heat condition, which exists in the Thorold Plants at times during the summer months.

To alleviate the heat condition in the summer the Company will purchase and install a sufficient number of "man cooler" type fans for the areas affected by the heat.

With regard to the heat problem, the employees' requests for additional heat breaks will be given every consideration and a decision will be made, at the time of the employee's requests, by Management, and this will apply uniformly in the plants.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #27

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: BONUS PAYMENT - ASSEMBLY AREA, THOROLD FRAME PLANT

During our 2004 negotiations, the Company and the Union agreed in principle that the present bonus payment on the Ford Assembly lines in the Frame Plant would remain unchanged during the existing model.

If the present model changes or a new model is introduced, it is further agreed that the bonus payment will be adjusted based on the same principles that were utilized to establish the present bonus system.

It is understood that the existing bonus system of payment may not apply, should the Company implement an hourly method of pay in the assembly areas and should be reviewed at that time.

It is further understood that the Company and the Plant Negotiating Committee will meet to review any new or changed bonus payments prior to their implementation.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter # 28

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: VACATION

During our 2004 negotiations, we discussed at length the possibility of employees scheduling vacation during the months of July and August.

The Company agrees with the principle of employees having a vacation during the period they desire and the Company will endeavor to schedule employees' vacation at their request.

However, there will be times when, due to customer requirements, production schedules, equipment problems, etc., that scheduling vacation time during these months will be impossible. Should such a circumstance interfere with the employees' vacation schedules, the Company will attempt to give the employees concerned as much advance notice as possible.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #29

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PERMANENT SKILLED TRADES LAYOFFS

During our 2004 negotiations, the Company and the Union discussed at length the problems of some of our Skilled Trades Classifications becoming redundant. We mutually agree that the lengthy service of those individuals presently in these areas forces us to consider measures to allow them to continue their employment at Dana Canada Corp.

The most devastating effect that these individuals face is the position of being laid off with no chance of recall.

In order to overcome this difficulty, the Company will agree to allow these individuals to be placed on the general recall list in line with their accumulated production seniority only (production seniority at the time of entry into skilled trade). This may occur only after the employee is on permanent layoff for a period of six (6) months.

If the individual chooses to accept this option, he/she will forfeit his/her rights to recall to his/her former Skilled Trades Classification. This decision of the employee must be made at the time of accepting a job deemed by the parties to be of a permanent nature.

There will be no loss of Skilled Trades seniority for an individual accepting temporary work assignments within production classifications.

Employees who fall under this category or employees in Skilled Trades Classifications that the Company and the Union mutually agree will become redundant, will be allowed to apply for apprenticeships in other Skilled Trades. Completion of an apprenticeship will constitute forfeiture of their rights under this Agreement, as well as all seniority established in their previous Skilled Trades Classification.

We recognize that this is an unusual procedure, however, with the changes that are taking place in manufacturing, it became necessary to adjust our procedures to accommodate long service employees.

Yours truly,

Jim Hale

Human Resources Manager
Thorold Frame Plant

Letter #30

April 29, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PRINCIPLE OF HEALTH & SAFETY

During our 2004 negotiations the Company and the Union discussed the principles of Health and Safety. Both parties agree to continue to recognize the spirit of the current Health and Safety Act.

In particular, the Company fully supports the following principles:

- 1) The Company agrees to continue to support the existence of the Joint and Health and Safety Committee and the duties that now exist.
- 2) The Company agrees to continue to support the training of certified representatives for membership on the Joint Health and Safety Committee. Training should continue to be at the level presently in place.
- 3) The Company also supports the right of employees to refuse hazardous work, which may harm them. The Company may continue the practice of assigning another worker to the job, providing the process of investigation and notification has been satisfied.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #31

May 10, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: TECHNOLOGICAL AND TECHNIQUE CHANGE

During our 2004 negotiations, the Company and the Union discussed changes in technology and techniques that could possibly cause a change in the number of skilled workers in the Bargaining Unit.

While the Company and the Union realize the importance of keeping abreast of new methods of manufacturing that will allow us to remain competitive, we must also recognize the necessity of upgrading the skills of the workforce to keep any impact from new technology and techniques to a minimum.

The Company will notify the Union as far in advance as possible of any decision to apply new technology and techniques which may substantially change the nature of the skilled workforce.

The Company will make the necessary training available for any skilled trades employees to become qualified in the skills required because of technological change. This may be conducted on site as necessary, and during regular working hours wherever practical.

The Company recognizes the importance of keeping any changes in the work caused by new technology and techniques within the proper skilled trades classification.

Apprenticeship programs will be revised to reflect changes brought about by the introduction of new technology and techniques. Within three (3) months of the signing of this Agreement the committee will decide on the frequency of the meetings necessary.

The Company will ensure there are management personnel on the committee who are thoroughly conversant with technology and technique plans.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #32

April 29, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: MILLWRIGHTS TACK WELDING

During our 2004 negotiations, we discussed at length "tack welding" as it applies to the Millwright skilled trade's classification. It is the intent of the company that the millwright will only "tack weld" and that "welding" properly belongs in the tool and die welding classification.

It is understood that in an emergency situation some lines of demarcation between the skilled trades are overlapped for personal safety or customer commitments.

However, the Company will attempt to monitor this situation and to enforce the proper skilled trades lines of demarcation regarding the application of welding and tacking.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #33

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave

SUBJECT: IMPACT FROM BUMPING

During our 2004 negotiations, the Company and the Union discussed at length the serious impact resulting from employees exercising seniority between divisions when large-scale or frequent layoffs occur. The Company is impacted by the resulting inefficiencies from bumping that cause extra training time and extra personnel as well as quality and production problems. Our people are impacted through loss of earning opportunity in coping with new and different manufacturing processes.

To reduce this undesirable impact, the Company and the Union agree that during extended layoffs, when employees are exercising seniority between divisions and the majority of one particular department is being affected by employees bumping into that department or when more than ten (10) employees are bumping into an individual department from the other division, a period of up to twenty (20) working days may be utilized to absorb and appropriately place people exercising their seniority.

Should this agreement need to be implemented, the Company will meet with the Union in advance of the anticipated layoff and will agree to a layoff in an orderly procedure.

Employees will be accepted into the affected department by seniority with every effort being taken by the Company to accelerate this process, however, during the period of training and relocation of our people, others may be laid off out of seniority to facilitate the training and moves required.

The intent of this special arrangement is to make the transition of people to other divisions as efficient as possible and to reduce the impact.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #34

June 9, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PREFERENTIAL HIRING

During our discussion in the past and at our 2004 negotiations, the Committee of Local 676 expressed concern for our employees who are laid off from the Spicer Driveshaft, Thorold Plant and Structural Solutions Thorold Frame Plant.

The current downturn in our industry necessitated the layoff of a large number of our employees and the committee raised the question of preferential hiring for these laid off employees in other Dana Canada Corp. facilities.

Should any employee covered by our Collective Agreement be laid off as a result of their job or department being relocated in another facility of the Company, they have the rights under Clause 1-1 as follows:

"Except where prohibited by law, or previous agreement with other unions, whenever the Company transfers operations or departments from a plant covered by this agreement to a plant which is newly acquired or built by the Company, employees engaged on such operations or employed in such departments may, if they so desire, be transferred to a new plant with their full Company seniority."

The details covering such a move are clearly stated in Clause 1-1, which the Company will, of course, continue to honor. For employees laid off and not covered by Clause 1-1, the Company will provide an opportunity for preferential hiring at other new facilities of the Company on the following basis:

- 1) A laid off employee with one or more years of seniority who has been on layoff for six (6) months may complete a preferential hiring request at the Personnel Department of his/her home plant.
- 2) The Personnel Department will forward the request to the designated facility.
- 3) The preferential hiring request will be given preference over non-Dana Canada people at the designated facility in accordance with the date of receipt of the application, provided the person is qualified and available for work.

- 4) The request will be valid for a period of six (6) months from the date of filing, and the laid-off employee must re-apply to extend the six-month period.
- 5) When an applicant accepts a position at the new facility and completes the applicable probationary period, he/she will be considered a voluntary quit at his/her home plant.
- 6) If an applicant declines an offer of employment, his/her name will be removed and no further application for preferential hiring at the new facility may be made for one (1) year.

In the event of any person taking advantage of the preferential hiring opportunity and accepting a job, his/her service in the new facility will count toward the vesting rights to any pension benefit that was accrued under the Local 676 Pension Plan up to the date of transfer. He/she will also be eligible for any future improvements in the Local 676 Plan with respect to the above-accrued benefit up to the date of retirement.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #35

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: UNION REPRESENTATION

During the course of our 2004 negotiations, the Union submitted a proposal for Union Representation in all facilities owned or acquired by Dana Canada Corp.

Our management philosophy is to have each Division of our Company operate as an autonomous organization within the guidelines of Corporate policies.

The employees in certain of our facilities are represented by Unions, including the C.A.W., and in these facilities, through the effort of the Local Management and Union Committee, the Company and the Union have developed a constructive relationship based on trust, integrity and mutual respect.

The Corporate position of Dana Canada Corp. regarding Union representation for our employees in any facility is:

... We believe that our employees should exercise their free choice, under the existing laws, to decide, by voting, whether or not they wish to be represented by a Union - C.A.W. or any other Union.

... If a majority of our employees in any Division indicate a desire to be represented by any Union, then the Company will abide by the existing laws and recognize such a Union.

The Company and its representatives will continue to communicate with our employees not in an "anti-union" or "anti- C.A.W." manner, but, in a positive "pro-Dana Canada Corp." manner. However, the Company reserves the right to counter in any appropriate manner when undue provocation or misstatement of fact is evident during any organizing campaign.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #36

May 14, 2004
Mr. Dave Smith
Bargaining Chairperson
Local 676 C.A W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: CLAUSE 9-19

During the 2004 negotiations, we discussed the problem of a recognized 9-19 employee returning to the active workforce. It was agreed that the bona fide 9-19 is to review the Structural Solutions Thorold Frame and Spicer Driveshaft Thorold Plant's operations and is to submit a comprehensive list of jobs which he/she can perform within his/her medical restrictions. This list will be provided to Human Resources and the Early & Safe Return to Work Committee.

Once this list has been reviewed and agreed to, the jobs listed will be considered an automatic bid to any job that is posted. The above should not preclude an employee using 9 -19 on an internal move.

The parties agree that when an employee uses their rights under 9-19 to apply for an open job, the Company & Union will meet to review the application prior to approval of the move to ensure all of the criteria has been satisfied.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #37

April 26, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

Re: TIMESTUDY PROCESS

During our 2004 contract negotiations we discussed the process to be used when performing a time study in the Plants. It was mutually agreed by the parties that the following process would apply.

1. Prior to the time study (minimum 1-hour), a meeting will be held between the Company and the Union (including the operator(s)) to discuss the: job to be timed; process to be used; personal allowances; duration of the study; and operator(s) to be timed.
2. The time study will be performed within a reasonable amount of time.
3. The time study person informs the operator of his/her effort rating and has the operator sign the time study sheet.
4. A follow-up meeting will be held in a timely manner, with the Supervisor, the time study person, a Union representative and the operator(s). The meeting will review the results of the study and discuss any concerns prior to a rate being established on the job.
5. The process to follow for the assembly lines to be time studied in the Frame Plant is as follows:
 - 1.) Prior to the time study being performed, a meeting will be held with the Union and the Company along with the time-study person, to discuss how the time study will be performed.
 - 2.) After the time study a follow up meeting will be held with the Union and the Company along with the time-study person to discuss the time study.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #38

April 29, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A W.,
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: BY-PASS OF RECALL

During the 2004 contract negotiations, we discussed the procedure for lay off and recall when a by-pass is in effect as per Clause 9-10 (b). The following has been agreed upon by the Company and the Union.

- (a) Exercising of seniority: when the junior job has been by-passed because it would be impracticable for the average employee to exercise his/her seniority rights, then the laid off employee may exercise his/her seniority against the next junior employee. The by-pass is in no way considered a freeze and if the employee being laid off has had previous experience on the job, they must exercise against the by-passed job or take the lay off.
- (b) Recall: when a by-pass is in effect and the Company is required to recall an employee in line with the recall provisions of the Collective Agreement, the company will notify employees with seniority rights to recall of the nature of the by-passed job. If it is deemed that the senior employee is unable to perform the work, they will be by-passed and the next employee with recall rights will be notified. This procedure will be continued until a suitable employee can be found. The by-pass is not to be considered a job freeze and an employee with previous experience with recall rights must answer recall as per the recall provisions of the Collective Agreement.
- (c) The above is subject to the grievance procedure as per Clause 9-10 (b)

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #39

May 3, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: HARASSMENT IN THE WORKPLACE

C.A.W. Local 676 and Dana Canada Corp. agree that any forms of harassment regarding sex, race, age, creed, colour, marital status, disability, religion or sexual preference cannot be tolerated.

We agree that it is in everyone's best interest to promote a workplace free from the cruel and destructive effects that harassment can cause.

Both parties agree, to react promptly and co-operatively to any reported acts of harassment, with a complete and fair investigation.

Dana Canada is committed to providing a civil, respectful and supportive work environment in which all members of this workplace community feel secure and valued and have the opportunity to develop to their full potential.

Accordingly, we will not tolerate any form of harassment or unlawful discrimination against our employees by anyone, including managers, supervisors, other employees, vendors, clients, customers or others. All employees must avoid any behavior or conduct that could reasonably be interpreted as harassment of employees or persons with whom we do business, whether it is unlawful or not. In addition, all employees should also understand the importance of informing an individual whenever that individual's behavior is unwelcome, offensive, in poor taste, or inappropriate or immediately notifying a supervisor or manager of such conduct.

Harassment consists of unwelcome conduct, whether verbal, physical or visual, that could be based upon a person's protected status such as sex, color, race, ancestry, religion, place of origin, age, disability, citizenship, sexual orientation or other protected group status but not exclusive of these unlawful actions. Harassment may also include conduct that demeans or shows hostility or aversion toward an individual regardless of whether he is a member of a protected status or not.

Sexual harassment deserves special mention. Unwelcome sexual advances for sexual favors, and other physical, verbal, or visual conduct based on sex may constitute sexual harassment.

Education is the key to ensuring a workplace free from harassment, and both parties agree to meet during the life of the agreement to plan and implement education processes and to develop an investigative process and complaint procedure.

Yours truly,
Paul S. Teeple
Vice-President, Human Resources
Dana Canada Corp.

Letter #40

May 14, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: CLAUSE 10 - 9 (a) SHIFT CHANGES

During the 2004 Negotiations the Company and the Bargaining Committee of Local 676 discussed the necessity of training our employees and the affect of mutual shift changes.

The Bargaining Committee of Local 676 fully supports the need for future training. Furthermore, should mutual shift changes have an impact on an employee's training program- individual situations will be collectively assessed and stand on their own merits.

Both the Company and Union agree the mutual shift changes will not be capriciously disallowed. It was also agreed that the issue of shift changes for open jobs on preferred shifts in the SDD plant would be reviewed and that permission to change shifts would not be unreasonably withheld.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #41

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson
Local 676, C.A.W.
20 Walnut Street
St. Catharines, Ontario L2T 1H5

Dear Dave:

SUBJECT: NEW HIRES

Any new people hired after May 31, 2004 will start at a reduced rate:

The starting rate will be:

75% of gross money earned on the job assigned plus full COLA.

- ◆ Increased 5% to 80% -- effective first full pay week following 12 months from date of hire
- ◆ Increased 5% to 85% -- effective first full pay week following 18 months from date of hire
- ◆ Increased 5% to 90% -- effective first full pay week following 24 months from date of hire
- ◆ Increased 5% to 95% -- effective first full pay week following 30 months from date of hire
- ◆ Increased 5% to 100% -- effective first full pay week following 36 months from date of hire

Days outlined will be considered calendar days.

Any employee who is laid off during his/her progression period will be given credit for time acquired if recalled prior to exhausting his/her seniority and will start back where he/she left off.

Any employee who is on authorized leave of absence shall upon his/her return from such leave, continue his/her progression period where he/she left off.

This scale does not apply to an employee with full recall rights who is recalled after May 31, 2004 (but whose original hire date was prior to June 1, 2004) and had previously worked at the 100% level and to the skilled trades classifications as outlined in Clause 20-4. This scale does apply to any employee rehired after May 31, 2004 who had previously lost his/her recall rights.

Disability benefits (LTD & STD) for employees hired after June 1, 2004 will be based on the same scale as outlined above, with an employee progressing to be eligible for 100% of the STD/LTD benefit level following 36 months from date of hire.

Health Care & Basic Dental benefits for employees hired after June 1, 2004 will be as per the attached effective for 36 months after date of hire, coinciding with the wage escalation change.

GROUP INSURANCE BENEFITS Applicable to Employees hired after May 31, 2004

Post Retirement Group Insurance Benefits

- 25 years of continuous service with the Company required to become eligible for post retirement group insurance benefits

Active Group Insurance Benefits

Same as active employees hired before June 1, 2004, unless stated otherwise as follows:

- **Weekly Indemnity**
 - 75% of WI weekly benefit rate
 - increased 5% to 80% -- if disabled following 12 months from date of hire
 - increased 5% to 85% -- if disabled following 18 months from date of hire
 - increased 5% to 90% -- if disabled following 24 months from date of hire
 - increased 5% to 95% -- if disabled following 30 months from date of hire
 - increased 5% to 100% -- if disabled following 36 months from date of hire
- **Long Term Disability**
 - 75% of LTD monthly benefit rate
 - increased 5% to 80% -- if disabled following 12 months from date of hire
 - increased 5% to 85% -- if disabled following 18 months from date of hire
 - increased 5% to 90% -- if disabled following 24 months from date of hire
 - increased 5% to 95% -- if disabled following 30 months from date of hire
 - increased 5% to 100% -- if disabled following 36 months from date of hire
- **Prescription Drugs**
 - 10% employee co-payment,
 - no Over-the-counter drugs (OTC), other than standard OTC covered life sustaining drugs (e.g. diabetic supplies)
- **Vision Care**
 - 10% employee co-payment
- **Semi-private Hospital**
 - 10% employee co-payment
 - no nursing home coverage
 - no chronic care hospital user fee coverage
- **Supplementary Health - Part 1**
 - 10% employee co-payment
- **Supplementary Health - Part 2**
 - Annual deductible of \$200 member/ \$400 family
 - Private hospital eliminated
 - Out of country eliminated
- **Dental**

- Basic: 10% employee co-payment

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #42

May 14, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: PREGNANCY

Any employee who becomes pregnant and is unable to continue on her job, will upon recommendation of her physician, be employed in other work on a job that is operating in the plant without regard to any seniority provisions of this Agreement, except that such employee may not displace an employee with greater seniority. The above exceptions shall be made by agreement between the Company and the Union.

During the time period that she is employed on this new job, she will continue to accrue seniority. Such employee will return to her original job upon termination of her maternity leave of absence, consistent with her seniority.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #43

June 9, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: WEEK-END SHIFT CREWS

During our 2004 negotiations, the Company and Union discussed at length various special circumstances that occur when a weekend crew is implemented in a Department. The following pages represent a summary of those discussions, and outline the various rules that will apply when a weekend shift is put into place.

Section 1 – Hours of Work

Weekend crews will be scheduled for two 12-hour shifts for Saturday and Sunday. The shift hours for a weekend crew will be one of the two following options:

Option A: 7:00 a.m. to 7:00 p.m.

Option B: 11:00 p.m. to 11:00 a.m. – First shift
11:00 a.m. to 11:00 p.m. – Second shift

The Company will select which option is to be used when implementing a weekend crew in a department.

Section 2 – Lunch & Rest Periods

There will be one (1) ten-minute break every two (2) hours (total of four (4) breaks) with a 0.3 hours paid lunch break.

Section 3 – Rate of Pay

Rates of pay for weekend crews will be the same as those outlined in the Collective Agreement for the appropriate Department (with appropriate shift premium) for a total of forty-four (44) hours. All applicable bonus systems are to be adjusted to reflect the twelve (12) hour shifts.

Section 4 – Overtime Opportunities

Employees working on a weekend crew will not be offered hours outside of their regular shift schedule until all other employees in the respective Department have been offered overtime as per Clause 10-15 of the Collective Agreement. When overtime is offered outside their weekend shift, time-and-one-half (1.5 time) will be paid for each hour worked.

Section 5 – Job Allocation

The Company will post, in the appropriate Department, a notice indicating that a weekend crew will be implemented. The notice shall remain on the bulletin board(s) for twenty-four (24) hours. Employees wishing to participate on the crew will complete an Internal Posting form and submit it to their Supervisor for approval. If more than the needed number of employees apply, seniority will prevail. Any subsequent vacancies in the weekend crew will be filled in the same manner.

Section 6 – Pension and Vacation Credits

It is mutually agreed that an employee on a weekend crew will be given forty (40) hours of credits for pension and vacation purposes for each week on such a crew.

Section 7 – Statutory Holidays & Vacation /P.P.A. Time

Employees on a weekend crew will be paid for all statutory holidays outlined in Clause 12-1 of the Collective Agreement, provided they qualify for such pay under Clause 12-3. Time-off will not be granted for statutory holidays that are not celebrated on a weekend.

An employee that wishes to schedule vacation time will be charged forty (40) hours of vacation and/or P.P.A. time for each weekend that is taken off of work. If an employee books one day of a weekend, he/she will be charged twenty (20) hours of vacation and/or P.P.A. time.

Section 8 – Probationary Period

If an employee on a weekend crew is probationary, each weekend worked will count as five (5) days of his/her probationary period as per Clause 9-2 of the Collective Agreement. If an employee only works one (1) day – Saturday, he/she will be given two (2) days of credit towards his/her probationary period. If an employee only works one (1) day – Sunday, he/she will be given three (3) days of credit towards his/her probationary period.

Section 9 – Accident & Sickness Benefits

If an employee on a weekend crew goes off of work and is accepted for coverage under the A & S Plan, for each weekend of work missed, the employee shall be entitled to one (1) week of A & S coverage as per clause 17-2(c) of the Collective Agreement.

Section 10 – Bereavement

It is mutually understood that the issue for bereavement leave as it applies to the weekend crew is as follows: Monday through Friday will be treated as the weekend for employees on the weekend crew and will not be counted for bereavement. e.g. if death occurs on Monday, employees will be eligible for the applicable hours of bereavement compensation as per Clause 9-31(b) in the Collective Agreement for the following weekend.

Other Issues

The Union and the Company recognize that situations may arise in the application of the weekend work crew schedule that will require ongoing resolution. The parties agree to work in a positive manner in addressing any problems that may arise. The Company agrees to involve the Union Committee on an ongoing basis in the development and application of this schedule.

Yours truly,

Jim Hale

Human Resources Manager
Thorold Frame Plant

Letter #44

April 26,2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: JOB ASSIGNMENTS AT CUSTOMER FACILITIES

During our 2004 negotiations we discussed the procedure to be used when selecting employees for work assignments at customers' facilities. The Company's decision will be based on the individual's ability to (a) represent the Company in a professional manner and (b) product knowledge. All things being equal, seniority will prevail. If employees are not equal, it will be the Company's decision as to who will be selected.

The Company will post a new sign up sheet for volunteers every 3 years in the month of June beginning June 2004.

Note: The employees currently working at customer facilities will not be displaced by any of the new people on the sign up list.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Rick Marshall
Human Resources Manager
Spicer Driveshaft Division
Thorold Plant

Letter #45

May 17, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: RETURN TO WORK PROGRAM

Dear Dave:

During our 2004 negotiations the parties discussed at length the need to establish a consistent and structured Return to Work Program for the people of Dana, Thorold.

The purpose of this program is to provide a fair and consistent procedure by accommodating employees who have had an injury or illness, returning them to safe and meaningful employment as soon as possible and to assist in achieving quicker rehabilitation to allow employees to maintain their sense of worth, employment and financial stability while being productive and a valued asset to the Company.

The primary focus is to return the injured or ill employee to his or her own job.

The parties have agreed to a joint committee structure to implement this process and ensure the confidentiality of all parties.

It is the intent of the Company and the Union to implement this process as soon as training and structure can be organized, but no later than January 1, 2005.

The joint committee will consist of one management and one union representative from each plant, two of which will act as co-chairs. The Union member will be chosen by the Union and the Management member will be chosen by Management. Each plant may have additional members as agreed.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #46

April 28,2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: Employee Family Assistance Program

Dear Dave:

The purpose of the Employee Family Assistance Program is to provide a service which will assist an employee overcoming persistent personal health problems as this may tend to affect his/her employment, family security and happiness. Alcohol and drug misuse, and stress related problems are among such problems.

The objective of the program is to help employees by:

- (1) Providing education programs for employees, supervisors and union officers toward the objective of identification and motivation of the affected individual to seek treatment, counseling and/or rehabilitation.
- (2) Establishment of a system giving affected employees simple and direct access to community resources, treatment facilities and other support groups.
- (3) Assistance, when necessary, with follow-up treatment and support.

Statement of Policy:

- (1) As Management of the Spicer Driveshaft and Frame Plants of Dana Canada Corp., and Local 676 C.A.W. jointly recognize that alcoholism and other addictive conditions are progressive diseases that can affect some of our employees and that they can be treated.
- (2) We agree that employees who suffer from alcoholism, drug abuse, or stress related problems, will receive the same consideration and opportunity for treatment, as other employees with recognized health problems.
- (3) We recognize that the employee must be assured that his/her job future and reputation will not be jeopardized through his/her involvement in EFAP sponsored programs.
- (4) Every effort should be made to identify the disease or problems in its early stages, work with and assist the employee, and to encourage him or her to obtain treatment without, delay. When a represented employee is involved, it is recognized that the disease can be dealt with most effectively on a co-operative union management basis.

(5) Early identification of the alcoholic or drug abuser should be based on evidence of poor job performance and other related factors. The immediate supervisor, or union representative may refer such an employee to the Joint EFAP Committee for further evaluation.

It is the responsibility of all supervisors to carry out this policy and follow procedures assuring that no employee with an alcohol, drug problem, or stress related problem will have his/her job security jeopardized solely on his/her request for diagnosis and treatment.

(6) The employee is assured that his/her medical records and/or any communication relative to his/her problem will be treated with 100% confidentiality.

(7) The facility does not provide treatment. Medical records of employees with alcohol, drug or other problems will be maintained with 100% confidentiality.

(8) The decision to undertake treatment is the responsibility of the individual employee. The EFAP committee is available for referral assistance or the employee may seek help directly from any qualified treatment facility or agency. In instances where it is necessary for an employee to enter a medical or rehabilitation facility for treatment, he or she will be granted sick leave and will be eligible for benefits in accordance with the Accident and Sickness Benefits program.

(9) Since employee's work life can be affected by problems of an employee's spouse or dependents, this program is available to the families of the employees, within the normal provisions of the employees medical insurance.

(10) Experience has shown that considerate and careful follow-up is vital for effective employee rehabilitation and must be considered as important as the original treatment. Follow-up by the EFAP committee on a regular basis should be expected when a treatment program is outlined.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter #47

May 14, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: TRIAL PERIOD

Dear Dave:

During our 2004 Negotiations the Company and the Bargaining Committee of Local 676 discussed the necessity of moving employees in a timely manner in order for the employee to perform the eight (8) hour trial period to demonstrate his/her ability to do the job.

The company will endeavor to move the selected employee for an eight (8) hour trial period within five (5) days of the date of the successful bidder notice provided that the job trial is from the same classification. Interplant trials will be arranged at the earliest opportunity. The company recognizes the desire of employees to try their new job and the advantages of doing this in a timely manner.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter 48

May 31,2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: EMPLOYEE INVENTION & DISCLOSURE AGREEMENT

Dear Dave:

During our 2004 negotiations the Company and Union discussed the issue of protection of technical information which is imperative to the success of our facilities and Dana.

Local 676 agreed that all members of Local 676 are bound by the rules of Dana's Employee Invention and Disclosure Agreement, a copy of which is posted in the plants.

Sincerely,

Paul Teeple
Vice President, Human Resources
Dana Canada Corp.

Letter 49

June 7, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: Realignment of Objective Rates and Downtime Rate

Dear Dave:

During our 2004 negotiations the Company and the Union discussed the improvement of our incentive systems. Dana Thorold has been a productive plant for many years. However in recent years, changes in our pay systems have created a problem in relationship between production wages and wages earned while not on production. Productivity is the life blood of our plants and is one of the key elements required to be competitive in the future. After considerable discussions the parties agreed to a realignment of the applicable rates to insure that our incentive system remains strong and thus our productivity continues to be the strength of our plants. The key elements to the agreement are as follows:

- People or groups who produce the same number of parts after the change in the same length of time as before will be paid the same.
- Adjustments and increases in the objective rates in all departments in combination with adjustments in the downtime rates will cost the Company no more or no less when the production is the same. The basis for the change will be to reduce code 19 to \$19.00 per hour and code 20 to \$17.00 per hour and increase the objective rate an amount equal the reduction while on production at the average percentage earned.
- Groups of related machines and similar operations will be gathered into factoring departments for the purpose of averaging the productivity efficiency.
- Both parties agreed that it is essential that we understand how this affects each area of the plants before we implement the changes. Therefore, the parties have agreed that the realignment of the rates will be completed and implemented on October 31, 2004, to allow sufficient time for an in-depth study.
- The parties agreed to review each area of the plants and all jobs to study the effects on individuals and the Company prior to implementation.
- Data used to compile the realignment will be from March 1, 2004 to August 31, 2004.
- Meetings with all employees will be held to review the data and implementation process during the month of October.
- Any wage increase negotiated during this contract or subsequent contracts will be in addition to the objective rates based on our past practices as described in Letter #1 and #20.
- A committee of 6, of equal representation from the Union and the Company will be formed to meet regularly during the period July to October to review the data and any issues that may arise.

- The selection of the committee will be done by each party submitting 5 names to the other party, of which 3 will be accepted.

Yours truly,

Paul Teeple
Vice-President, Human Resources
Dana Canada Corp.

Letter 50

June 7, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: Improved Productivity and Competitiveness

Dear Dave:

During the course of our 2004 contract negotiations the Company and the Union held extensive discussions regarding the need for improved productivity and competitiveness in the Thorold Plants.

The Thorold Plants which have a long history of being productive and competitive, today face many challenges. The new millennium has brought more and more competition from both offshore production and new competition right here in North America. With our customers always demanding lower prices year after year, we must find ways of being more productive. We have a number of legacy costs that most of our competitors do not have but we also have the skills and knowledge that we can take advantage of to offset some of those costs. We need to be more productive and more technically advanced than our competitors so that the futures of the plants and the people who work in them can be maintained.

The automotive parts industry in North America is undergoing significant change and the parties recognize that substantive action must be taken to insure we can be competitive and thus give both these operations a chance for long term survival.

Both parties have agreed to a number of changes in the Collective Agreement that will help make us more productive and provide incentive for our people. To help monitor the effects of these changes, the parties have agreed to form a 6 person task force (made up of equal representation) to monitor our successes and locate areas of improvement. The goal of the parties is to improve productivity in each department or area by at least 15%.

This may be obtained through the use of a number of tools and measures. Over the timeframe of June 2004 and June 2005, efforts will be made to increase productivity using the likes of Kaisen Blitzes, Lean Initiatives and ideas that our people can generate. If at the end of the timeframe, some areas or jobs have not been able to obtain at least a 10% increase in productivity, a method review and full time study review will be done to ensure the job is running at its maximum potential. Production Standards language in the Collective Agreement in clauses 14 will apply. Outside time study experts or CAW trained time study people may be used. In instances where it appears that individuals do not have the opportunity to earn 130% on jobs or that opportunities to produce for a full day, a full review will be done on these positions using time studies, method and process

changes etc. to ensure the individuals do have that opportunity. That may include allowances for downtime, including adjustments, SPC quality checks and other predictable processes.

The joint task force will meet immediately following ratification to set up procedures and parameters for gathering data and information to be used in monitoring the processes.

The Company and the Union have agreed to have joint chairs of this task force to settle any dispute that may arise. Upon agreement of the chairs, they will have the full authority to make modifications to insure compliance to the spirit of this agreement in productivity and fairness is implemented. The chairs can recommend the use of techniques such as outside specialists and mediators in the resolution process.

Yours truly,

Paul Teeple,
Vice-President, Human Resources
Dana Canada Corp.

Letter # 51

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: CONTINENTAL SHIFT CREWS

During our 2004 negotiations, the Company and Union discussed at length the application of 10-1 and the need to utilize assets to increase capacity. The Company have informed the Union that there might be a time when they will implement continental shifts when necessary in order to meet customer requirements and new business over existing assets. The company agrees to notify employees thirty (30) days in advance before implementing a continental shift. The company is committed to maintain a continental shift schedule that will maximize employee's weekends off. It is also agreed that any weekend work will be paid under our current 10-12, 10-13 language.

Yours truly,
Jim Hale
Human Resources Manager
Thorold Frame Plant

Letter # 52

June 11, 2004

Mr. Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

SUBJECT: CO-ORDINATION OF BENEFITS

Dear Dave:

Co-ordination of Benefits (COB) is the ability of a member to access his/her plan with the Company and then to claim any unpaid amounts through a spousal plan. This enables both employers (the member's and the spouse's) to pay a "fair share" of the expenses related to their own employee. With today's modern electronic drug card, this "coordination" can be convenient and in most cases, seamless. COB may allow up to 100% of a claim to be paid.

It works as follows:

- (1) Claims for the member is first paid through the Company's group benefits plan. Any amount not covered may then be eligible for payment through the spouse's plan.
- (2) Claims for a spouse is first paid through the spouse's group benefits plan. Any amount not covered may then be eligible for payment through the Company's plan.
- (3) Claims for dependent children are first paid through one parent (whose birthday occurs earliest in the year) and any amount not covered may then be eligible for payment through the second parent.

During our 2004 negotiations, the Company and Union agreed with the necessity for employees and retirees to utilize the Co-ordination of Benefits (COB) provisions in our group insurance plans. The parties support using spousal benefit plans in order to minimize the financial impact of claims on our Company's group account and insist that every member and retiree utilize COB wherever available to the spouse.

The parties do not support the practice of falsifying COB information on record in order to avoid COB.

Yours truly,
Jim Hale
Human Resources Manager
Thorold Frame Plant

SPECIAL CIRCUMSTANCE LETTERS

SC Letter #1

April 30, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: DISTRIBUTION OF CLOCK NUMBER FOR NEW HIRES

During our 2004 negotiations, we identified a need to have a system in place for distributing clock numbers in circumstances where more than one employee is hired on the same day.

We agreed that, from this point forward, when people are hired on the same calendar day, they will be assigned clock numbers in ascending order according to their Social Insurance Number (S.I.N.). That is, the person with the lowest S.I.N. number will receive the lowest clock number.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #2

April 30, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: VACATION SHUTDOWNS/PRIMARY CUSTOMER SHUTDOWNS

During our 2004 negotiations we discussed the possibility of primary customers scheduling summer shutdown periods prior to the beginning of our vacation year, July 1st to June 30th. Should this situation occur, it may be necessary for the Company to also follow this pattern. If this action is required the Company will immediately inform the local union of the details.

If it becomes necessary to begin our summer vacation shutdown prior to July 1st (but not earlier than June 20th) employees will be advanced vacation hours from the next vacation year and payment of vacation pay will be made prior to the beginning of the shutdown, for all those concerned.

If an employee has not earned 100% of his vacation credits prior to the early shutdown and is not granted the opportunity to earn these credits, he will be given the equivalent credits for which he has been denied opportunity to earn, for that vacation year. Such an employee must have been active on the day preceding the early vacation shutdown.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #3

May 11, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave :

SUBJECT: 676 RETIREES AS POST RETIREMENT EMPLOYEES

During our 2004 negotiations, we discussed the hiring of Local 676 retirees as consultants, and/or on a need to be basis to maintain operations in the Thorold Plants and Offices. The union understands the necessity of maintaining operations to meet the customer requirements, and supports providing retired employees with a short-term opportunity to supplement their income. The employer in return, understands the need for the union to maintain the integrity of the bargaining unit.

As a result of these discussions the parties agree that in the future when it may be an option to utilize Local 676 retirees in a post retirement capacity, to meet and to discuss other possible alternatives of utilizing current members of the bargaining unit.

Where it is deemed necessary to utilize retired employees, the parties will meet with such individuals to discuss the unions concerns based on the C.A.W. Constitution, as well as Article 1-1 and Article 3-2 of the Collective Agreement and how it applies to them.

Jim Hale
Human Resources Manager
Thorold Frame Plant

Rick Marshall
Human Resources Manager
SDD Thorold Plant

SC letter #4

May 11, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: GRIEVANCE COMMISSIONER

During our 2004 negotiations the parties discussed and agreed to institute an alternative to the regular arbitration process. This alternate resolution system, called "The Commissioner System" allows the parties by mutual agreement, the opportunity to receive a full and finding decision on arbitrable cases in an expeditious manner.

The parties have agreed the sole Commissioner for this process will be Rick McDowell. A potential alternate for Mr. McDowell is Gerald Churney.

The Grievance Commissioner shall have the same powers and be subject to the same limitations as an arbitrator appointed pursuant to the regular arbitration procedures.

In order to have a grievance proceed through the Commissioner System, both parties must agree, in writing. When such an agreement is reached, and a grievance is referred to the Commissioner, the decision is final and binding.

The rules governing the summary proceedings of the Grievance Commissioner are set out as follows:

- i) The decision of the Grievance Commissioner shall be confined to the grievance referred to him or her. Such decision must be consistent with the provisions of this Agreement and the Grievance Commissioner shall have no power to alter, modify or amend any part of this Agreement;
- ii) The decision of the Grievance Commissioner shall only apply to the case before him or her and shall not constitute a precedent or be used by either party as a precedent in any future cases. However, with respect to the case in question, the Grievance Commissioner's decision shall be final and binding upon the Company, the Union and the employees represented by the Union.

- iii) The Union and the Company shall be responsible for one-half of any fees or expenses charged by the Grievance Commissioner;
- iv) The parties shall meet at least thirty days prior to the scheduled hearing date set by the Grievance Commissioner in order to determine what facts can be agreed upon. All such facts will be put together in joint Agreed Statement of Fact by the parties. In addition, a joint Statement of Evidence will be prepared by the parties which will outline all facts and assertions that cannot be agreed upon that each party considers relevant and intends to call evidence in respect of at the hearing of the case. Both the Agreed Statement of Fact and the Statement of Evidence will be signed by both the Company and the Union and will be provided to the Grievance Commissioner at least ten (10) days before the commencement of the grievance hearing;
- v) The purpose of the hearing is to clarify the issues or facts in dispute. At the hearing, the parties may make such further representations or present such evidence as the Grievance Commissioner may permit or require, but the Grievance Commissioner shall not be obligated to conform to the rules of evidence;
- vi) The Grievance Commissioner shall be required to render his decision, in writing, together with brief written reasons, within seven (7) days of the conclusion of the hearing.

It is understood and agreed that any grievance that is mutually agreed to be referred to a Grievance Commissioner, cannot be unilaterally withdrawn by the Company or the Union from that process and referred to arbitration pursuant to the regular arbitration procedure contained in this Agreement, either before a decision has been rendered by the Grievance Commissioner or at any time thereafter.

Yours truly,

Paul S. Teeple,
Vice President, Human Resources
Dana Canada Corp.

SC Letter #5

May 6, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: PPA'S AND WEEKEND OVERTIME

During our 2004 negotiations we discussed the issue of employees booking vacation from Monday through Thursday and a PPA for Friday, thus being entitled for weekend overtime.

It was agreed by all that in this circumstance, it is the employee's obligation to contact a supervisor prior to their week/days off, but no later than Wednesday, 3:00 pm that he/she is available to work that weekend.

If the employee does not contact his/her supervisor by the specified time, he/she is not entitled to weekend overtime.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #6

April 28, 2004

Mr. Dave Smith
CAW Local 676
Bargaining Chairperson
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: CLAUSE 10-15 AND CHANGES TO THE EMPLOYMENT STANDARDS ACT

It was discussed during the 2004 negotiations that in the event that the Employment Standards Act is revised and those revisions affect the 10-15 language, both parties agreed to abide by the changes made to the Employment Standards Act.

Yours truly,

Rick Marshall
Human Resources Manager
SDD Thorold Plant

SC Letter #7

June 2, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

SUBJECT: TECHNOLOGY ADVANCEMENT

Dear Dave:

During our 2004 negotiations we discussed at length a number of issues as it pertains to technological advancement within our plants and how it effects our skilled trades employees.

Technology in our business is rapidly changing and advancing. It is important that our Demarcation Committee meet on a regular basis to review issues as they appear.

In particular, the parties talked about the PCDMIS process. It is the Company's position this is a technology that is multifaceted and can be used by a number of people, including Tool & Die Makers, Inspectors and Engineers. Each has their own access and the Company expressed that it is not our intent to eliminate or preclude the Tool & Die Makers from using this tool.

We also discussed that it is the primary responsibility of the Tool & Die Makers to program the CNC milling machines, however with the changing technology, others may have a need and develop the ability to also use this tool. It is not the intent of the Company to eliminate or preclude our Tool & Die Makers from programming the CNC milling machines.

Questions about how these changes may affect the specific trades should be discussed with the Demarcation Committee prior to implementation of the changes.

Sincerely,

Paul Teeple
Vice President, Human Resources
Dana Canada Corp.

SC Letter #8

June 4, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

SUBJECT: INTERNAL POSTINGS IN THE BIDDING PROCEDURES

Dear Dave:

During our 2004 negotiations the parties discussed the application of internal postings in the bidding procedures.

When an opening occurs in a department an internal posting for that department is posted. If there is a successful bidder a second internal posting is then posted.

A plantwide posting is then posted, followed by a second plant wide posting to fill the subsequent opening. Following the second plantwide posting the job will be filled as per Clause 9-44.

Employees in departments where an opening occurs as a result of the plantwide postings may request to move to the created open job within the department. The Supervisor will allow up to two people in the department to move, based on seniority prior to the opening being filled. Clause 9-47 will not apply to these internal moves.

Yours truly,

Paul Teeple
Vice-President, Human Resources
Dana Canada Corp.

SC Letter #9

June 4, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: OPTIONAL LIFE INSURANCE

The Company has agreed to again open enrolment to two voluntary Insurance Plans. These plans are:

A) Optional Life Insurance

And

B) Optional Dependant Life Insurance.

These plans will be opened for enrolment in November 2004.

It is the Company's intention from that point forward to offer this program to all new hires, 90 days after hiring (providing they have attained seniority).

The same rules of entitlement will apply to all employees, as they have in the past.

Yours truly,

Paul S. Teeple
Vice-President, Human Resources
Dana Canada Corp.

SC Letter #10

June 1, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: EXTENDED JOB EVALUATION.

During our 2004 negotiations, the parties discussed the issue of evaluation of applicants for key jobs. Some jobs require an extended demonstration period to allow a fair opportunity to demonstrate his/her ability. The Company may ask the Union to extend the 3 day evaluation period to up to 10 days for the following jobs; Set-up Person (both plants), Robotics Technician, SESCO Operator.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

Rick Marshall
Human Resources Manager
SDD, Thorold Plant

**Letter of Understanding for Employees leaving the Bargaining Unit
for a Management Position**

I, the undersigned, have read and fully understand the content of Clause 9-20 of the Collective Agreement:

Employee Transferred Out of the Bargaining Unit

9-20

An employee who accepts a position outside the Bargaining Unit in the Thorold Plants will maintain, but not accumulate, seniority for a period of six (6) months following his/her transfer outside the Bargaining Unit, and will forfeit his/her seniority at the end of this period.

Should an employee accept a transfer from the Bargaining Unit to Management in the Thorold Plants, it will be for a period of at least sixty (60) working days. During this period, the employee will be considered on Management Staff and not in the Bargaining Unit and will not accumulate seniority.

Any employee returned to the Bargaining Unit shall displace the junior employee in his/her former classification or plant wherever seniority is applicable.

- (a) An employee shall not be returned to the Bargaining Unit to protect another employee with less seniority. Once a supervisor returns to the Bargaining Unit and accepts another position with Management, he/she shall forfeit all seniority.*

Employee's Signature

Witnessed By

Date

Date

c.c. Local 676

SC Letter #12

May 18, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: EARLY AND SAFE RETURN TO WORK PROGRAM

During our 2004 negotiations, the parties had lengthy discussions regarding Return to Work Programs. We have agreed to form a joint committee to assist in the employees' early and safe return to work, thus protecting the employee's earnings and reducing costs for the Company. The basic philosophies are described below for the development of this process.

The philosophy of the program will be based on;

- Dana is committed to the successful recovery of injured and ill employees by assisting in early intervention and safe return to work
- The program will focus on the employee's level of capabilities and will provide for fair and gradual return to the pre-injury or illness job. Where the employee is unable to return to the pre-injury or illness job, a return to alternative safe and meaningful work which is consistent with their functional abilities in their department is preferred.

Principles for development;

- Modified work is a temporary accommodation in any job or combination of duties that a worker, who suffers occupational or non-occupational injury or illness, may perform without risk of re-injury to them or risk to others. It may involve any of the following; modified or temporarily reduced hours of work, training, modified tasks, ergonomic changes or process change.
- The maximum time on the modified program is 12 weeks.
- For people who have permanent disabilities and are successful at being placed or obtaining a suitable permanent position, a review will be completed at 6 and 12 months if there are limitations.
- In order to accommodate an injured/ill employee, the first step may be to modify the conditions of the employee's present position.
- Secondly, duties of positions within his/her department, then classification will be considered.
- Lastly, consideration will be given to any position within the Bargaining Unit.
- Dana will make every reasonable effort to provide as soon as possible, suitable modified or alternate work to employees who are temporarily unable to return to their regular duties.

The employee will;

- Continue to receive medical treatments as prescribed.
- Provide functional abilities information.
- Advise the attending physician of the availability of early and safe return to work.
- Maintain regular contact as required with the WSIB or insurance carrier as required.
- Attend appointments with his/her physician as required to help in establishing restrictions.

Time off the job for committee members will be authorized by the Human Resources Manager.

Yours truly,

Paul Teeple
Vice-President, Human Resources
Dana Canada Corp.

Frame Plant Specific Letters

SC Letter #13

June 9, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: PAINT SHOP BONUS

During our 2004 negotiations, we discussed the implementation of a bonus system in the current Paint Shop & current Ford Main Line. It was mutually agreed that the parties will create a bonus system, similar to past bonus systems in that area. The new bonus structure will include those employees that were covered under the previous bonus systems as well as the crane operator.

It is understood that such a bonus system pays at a lower level than the bonus on the Ford Main Line.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #14

June 7, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

**SUBJECT: FRAME PLANT SMALL PRESS DEPARTMENT
AND JOB ASSIGNMENTS**

During our 2004 negotiations the parties discussed and agreed that job assignments that do not have job ownership in the small press department will continue to be made according to seniority.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #15

June 7, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: RELIEF JOBS IN THE FRAME PLANT

During our 2004 negotiations, we discussed the issue of selecting employees for relief jobs in the Thorold Frame Plant.

It was agreed that when the Company decides that relief jobs are needed, the relief job would be offered to the senior employee in the department concerned, providing he/she is capable of performing all the duties pertaining to the job.

Yours truly,
Jim Hale
Human Resources Manager
SSD, Thorold Plant

SC Letter #16

June 7, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: FRAME PLANT – PRESS AREA RELIEF PRACTICE – OVERTIME

During our 2004 negotiations it was discussed and agreed that when the company decides to provide relief on a daily or weekly basis, the following would apply when employees are required to work overtime;

- For overtime during the week (4 hour shifts) and on weekends for shifts of 6 hours duration or longer, one relief person will be asked to work provided there are at least six production operators working the overtime shift.
- If there are only one to five operators working the overtime shift, no relief will be provided.
- If a full crew is working the overtime shift, relief will be provided as normal during regular hours.

Yours truly,

Jim Hale
Human Resources Manager,
Thorold Frame Plant

SC Letter #17

June 1, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

SUBJECT: SIDERAIL FORM DIE CHANGEOVER

Dear Dave:

During our 2004 negotiations the parties discussed at length siderail form die changeovers currently being performed by set-up operators. It was agreed that in the event of a layoff in the toolmaker trade, the siderail form die changeovers would revert back to the Toolmaking Trade. This agreement will be honoured over the life of the current P131 program and this letter will expire when the P131 program ends.

The definition of changeover is the physical change over from model to model on siderail dies. This does not include die removal, washing and die setup. This will continue to be done by the set-up operators.

Yours truly,

Jim Hale
Human Resources Manager
SDD, Thorold Plant

SC Letter #18

May 13, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: TOWMOTOR OVERTIME PRESS/ASSEMBLY/SHIPPING & RECEIVING/STORES

During our 2004 negotiations it was discussed and agreed that for the purposes of overtime allocation, the Towmotor Department will be split between Press and Assembly.

Example 1 - For the Small Press Dept., once the low stockmover who normally performs is exhausted, you would go to the next low overtime stockmover in Small Press/Sesco to exhaust, then to the low overtime in the Big Press Dept.

Example 2 - For the Big Press Dept., once the low stockmover who normally performs is exhausted, you would go to the next low overtime in the Big Press to exhaust, then to the low overtime stockmover in the Small Press/Sesco Dept.

It was also discussed for overtime purposes, once you exhaust an area, Presses (321 & 322), you would go to low stockmover in 341 (stockmover). If you exhaust Assembly (311), you would go to low stockmover in 341 (stockmover). Once all stockmovers in 341 have been exhausted, you would go to low operator for Shipping/Receiving/Storekeepers until that classification has been exhausted.

It was also discussed that the Scrap Drivers (341) overtime will be offered to the low driver who normally performs. If he/she refuses, it will be offered to the low overtime stockmover in the Frame Plant

Yours truly,

Jim Hale,
Human Resources Manager,
Thorold Frame Plant

SC Letter #19

May 3, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: HEATERS IN THE PLANT

During our 2004 negotiations it was discussed and agreed that all required heaters in the Frame Plant would be tested, beginning September 30th and ensured to be in good working order by November 1st of each year.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #20

May 27, 2004

Mitch Gunson
Skilled Trades Chairperson
CAW Local 676
20 Walnut St.
St. Catharines, Ont.
L2T 1H5

Dear Mitch:

SUBJECT: - PRESS STAND PIPE REPAIR / REPLACE

During our 2004 negotiations the parties discussed at length the practice of repair and replacement of the press standpipes and how it pertains to the Machine Repair General and Pipe fitters trades. It was agreed that the following Lines of Demarcation will change. The Company will task direct the Machine Repair General, Pipe fitter and Welder as required. The Machine Repair General and Pipe fitter will remove the damaged standpipe. The Pipe fitter and Welder will repair / fabricate / tack / weld / fit the standpipe as required. Machine repair and Pipe fitter will install the repaired or new standpipe. Machine repair and Pipe fitter will check for leaks under pressure after installation.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant.

SC Letter #21

May 10, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: Press Prototype Work Process

All prototype work will be offered to each department first, Big Press prototypes to Dept. 235 and Small Press prototypes to Dept. 230/220.

If less than 50 prototypes are required, we will offer overtime by low hours on the job and then exhaust all operators in the respective press department before going to low hours in Dept. 322.

The amount of operators asked to work will depend on the prototypes being built and the presses required to run. Only one overtime operator from each press may be required to work.

If more than 50 prototypes are required, overtime for the respective press department will be offered on the job first, then followed by low hour operators that have not been offered overtime on that press/department, then low hours in Dept. 322.

Example Big Press Prototypes

Designated press required:

Ask Big Press Operators by low hours on the job; if number is not full, then ask all Big Press Operators by low hours that have not been asked; if still not full, then ask Small Press Operators by low overtime hours; if still not full, ask plantwide.

Full press department required:

Ask Big Press Operators by low hours on the job; if number is not full, then ask all Big Press Operators by low hours that have not been asked; if still not full, then ask Small Press Operators by low overtime hours; if still not full, ask plantwide.

NOTE: The prototype overtime applies to weekday and weekend prototype builds.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #22

April 30, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: Assembly Prototype Work Process

All prototype work will be offered to each department first, wide prototypes to Dept. 240 first and Narrow prototypes to Dept. 250.

Overtime will be offered by low hours in the department and then exhaust all operators on the respective line before going to low hours on the other line.

The amount of operators asked to work will depend on the quantity and type of prototypes being built.

If overtime for the whole line is required, overtime will be offered first by job, then followed by low hour operators that have not been offered on that line, then by low hours on the other line.

Robotics & Leadhands would be asked as per normal overtime practices.

Example Wideline Prototypes

Partial line required:

Ask Wide Operators by low hours in the department; if number is not full, then ask Narrow Operators by low hours; then ask plantwide.

Full line required:

Ask all Wide Operators on the job first by low hours; if all jobs are not full, then ask all Wide Operators by low hours that have not been asked on their job next; if all jobs are not full, then ask Narrow Operators by low hours; then ask plantwide.

NOTE: The prototype overtime applies to weekday and weekend prototype builds.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #23

April 30, 2004

Mr. Dave Smith
CAW Local 676
Bargaining Chairperson
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: Winter parkas for Paint Shop, Yard & Other Personnel

Winter parkas will be issued to those employees that are active in the departments requiring parkas on November 1 of each year (provided that a parka has not been previously issued). On May 1 of each year, the parkas will be returned to the supervisors to have the parkas cleaned and repaired if required.

If an employee bids into the department after November 1st but before May 1st, he will be issued a parka. Any employee that transfers out of the department must turn in his parka at the time he transfers out. Employees temporarily transferred into these departments will be issued parkas if required.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #24

May 6, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: OVERTIME RELATING TO OFF-LINE REPAIR

All frame repairs will be done by the off-line repair person, because these are the people now actively engaged in repairing frames all day. The sequence in which they will be asked is as follows:

- 1) Off-line repair person by low hours
- 2) The next person with the lowest overtime hours amongst the balance of the people in Department 311, providing they can perform the job.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #25

May 10, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

**SUBJECT: OVERTIME RELATING TO THE SCRAPPING OF FINISHED BLACK
FRAMES AND SCRAP FROM THE LINE**

The procedure for asking people to work overtime on this job is as follows:

- 1) First to be asked is the person in Department 314 who normally performs the job (Yard Repair person).
- 2) Next to be asked is the individual with low overtime in Department 314.
- 3) Finally, anyone in Dept. 311 may be asked to work overtime, providing they can perform the job.

Yours truly,

Jim Hale
Human Resources Manager
Thorold Frame Plant

SC Letter #26

May 31, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

Dear Dave:

SUBJECT: PRESS PART REPAIR

During our 2004 negotiations the parties agreed to create a special pay rate for Press Part Repair. This rate is applicable to only those people who are assigned (posted) into the job or to those assigned to replace the regular people while on vacation or off with an illness or injury.

Others assigned to perform duties of part repair or sorting etc. will be paid their appropriate rate.

Yours truly,

Jim Hale
Human Resources Manager
SSD, Thorold Plant

SC Letter #27

May 6, 2004

Dave Smith
Bargaining Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

**SUBJECT: OVERTIME RELATING TO PUTTING FRAMES
BACK INTO THE SYSTEM**

This job belongs to Dept. 314 and the repair person of Dept. 311, therefore, anyone asked to work overtime to put frames back into the paint system who refuses to work the overtime but is not in Dept. 314 or a repair person of Dept. 311 cannot be charged for the hours offered.

The procedure for asking people to work overtime on this job is as follows:

- 1) First on a daily basis to be asked is the person who normally performs the job all day. (Regardless of home department, e.g., stacker, crane operator, hyster operator, repair, press operator or anyone else who works there all day pulling frames off).
- 2) On weekend overtime, first to be asked is the individual with low overtime from amongst the repair people, the people in Dept. 314, followed by the crane operator and hyster operator, Dept. 315.
- 3) Finally, the individual with the lowest overtime hours in Dept. 311.

Yours truly,

Jim Hale
Human Resource Manager
Thorold Frame Plant

Driveshaft Specific Letters

SC Letter #28

May 31, 2004

Mr. Graham Taylor
CAW Local 676
SDD Plant Chairperson
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

SUBJECT: Winter parkas for SDD Thorold Plant

Winter parkas will be issued to those employees that are active in the departments requiring parkas on November 1 of each year (provided that a parka has not been previously issued). On May 1 of each year, the parkas will be returned to the supervisors to have the parkas cleaned and repaired if required.

If an employee bids into the department after November 1st but before May 1st , he will be issued a parka. Any employee that transfers out of the department must turn in his parka at the time he transfers out. Employees temporarily transferred into these departments will be issued parkas if required.

Yours truly,

Rick Marshall
Human Resources Manager
SDD Thorold Plant

SC Letter #29

May 11, 2004

Mitch Gunson
Skilled Trades Committeeperson
CAW Local 676
20 Walnut St.
St. Catharines, Ont.
L2T 1H5

Dear Mitch:

SUBJECT: WELDING ASSIGNMENTS IN THE SDD PLANT

It was agreed that the first course of action when a welder is needed in the SDD Plant is for the SDD Maintenance Supervisor to call over to the Frame Plant Tool Room to see if a welder is available. If the welder cannot come to the SDD plant to do the welding at that time, a part to be welded may be taken over to the Frame Plant for welding. If a welder is not available and the welding assignment is required immediately, any Dana Tool & Die Welder on layoff will be offered this work, provided he/she is available and willing to do this work. If there are no T & D welders on layoff, an outside contractor will be called in to do the assignment.

If there is welding required that is not essential to fulfill immediate customer requirements, it was agreed this work would be accumulated to the following weekend and offered to a welder not working that weekend in the Frame Plant or a welder on layoff. The SDD Maintenance Supervisor will call over to the Frame Plant Tool Room on Thursday morning to confirm who or if any welders are not working.

In the event that all the welders are all working that weekend and no welders are available through the week to do the accumulated work, an outside contractor will be called in.

Yours truly,

Rick Marshall
Human Resources Manager
SDD, Thorold Plant

SC Letter #30

June 1, 2004

Mr. Dave Smith
Bargaining Chairperson,
Local 676, C.A.W.
20 Walnut Street,
St. Catharines, Ontario
L2T 1H5

SUBJECT: TOOL & DIE APPRENTICESHIP

Dear Dave:

During our 2004 negotiations we discussed and agreed to the conditions of combining the Tool & Cutter Grinder trade into the Tool & Die Maker trade.

The present senior Tool & Cutter Grinder will remain in the trade until he decides to leave it or he is laid off. He will remain on a rotating two (2) shift rotation.

The present junior Tool & Cutter Grinder will be given an apprenticeship in the Tool & Die Maker trade. He will have his pay rate red circled until his apprenticeship pay rate reaches that level. In the event of a layoff in the Tool & Die Makers group while he is in the apprenticeship program, he will go back into the Tool & Cutter grinder group. Once he completes his apprenticeship, he becomes a part of the Tool & Die Makers group.

A training program will be developed to train the Tool & Die Makers in the SDD plant in the Tool & Cutter Grinders' job duties. The apprenticeship will begin when the training of the Tool & Die Makers is complete.

The amount of time he will be credited with towards his Tool & Die Maker apprenticeship will be determined by the Joint Apprenticeship Committee.

Once the Tool & Die Makers are trained, overtime will be offered first to the Tool & Cutter Grinder and then to the Tool & Die Makers.

The parties will meet following this negotiation to discuss the details and set up the parameters.

Yours truly,

Rick Marshall
Human Resources Manager
SDD, Thorold Plant

SC Letter #31

April 16, 2004

Mr. Graham Taylor
Plant Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

CLARIFICATION

Re: Spicer Driveshaft – Thorold Plant – Dept. 630 Upsetter Clothing Allowance

All active employees will have the option: 1) three pairs of jeans and 5 Dana T-shirts or 2) three pairs of coveralls and 5 Dana T-Shirts and cleaning service, provided they are actively working in Dept. 630 during the period from April 1st to May 30th.

Employees who return or bid into Dept. 630 after May 30th have to wait until April 1st of the following year to be eligible for the clothing allowance, providing they are active in the department at that time.

Yours truly,

Rick Marshall,
Human Resources Manager,
Spicer Driveshaft Division
Thorold Plant

SC Letter #32

April 16, 2004

Mr. Graham Taylor
Plant Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

Re: Sweeper/Oiler Overtime list

The Company will post a list for all employees to sign to be eligible for sweeper/oiler overtime.

The list will be posted on June 1st each year for a period of five days and again for a period of five days when the list is exhausted. Once the list is established, the names will be placed in order of seniority.

Yours truly,

Rick Marshall
Human Resources Manager
Spicer Driveshaft Division
Thorold Plant

SC Letter #33

April 16, 2004

Mr. Graham Taylor
Plant Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

Re: General Plant Maintenance

The Company agrees to continue to:

- Clean lockers as required, at least annually
- Heaters need to be in working condition by November 1st. The Company will add this item to their yearly P.M. program.
- The Company will continue to change the water fountain filters per the preventative maintenance schedule.
- The Company will continue to clean/repair the mancoolers and fans. This will be added to the yearly PM program.

Yours truly,

Rick Marshall
Human Resources Manager
Spicer Driveshaft Division
Thorold Plant

SC Letter #34

June 3, 2004

Mr. Graham Taylor
Plant Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

Re: Replacement of Oiler, Sweeper, Stockmover
Re: Position for Bargaining Person
Re: Replacing Plant Chairperson

During the 2004 negotiations, we discussed the Bargaining Committee Person becoming the backup for the oiler, sweeper and stockmover, when one of them are off for a period of 3 days or more. When all people are present the Bargaining Committee Person will be assigned non-productive duties per the Company.

When the Plant Chairperson is off less than 3 days, the Committee Person will replace the Plant Chairperson as required. If the Plant Chairperson is off 3 – 5 days the Committee Person will replace him/her in the union office for 4 hours per day. If additional time is required we will utilize the language as per (Clause 5-3). If the Plant Chairperson is off in excess of 5 days, the Committee Person will replace him/her in the union office for 8 hours/day beginning on the 6th day of absence.

If the Plant Chairperson and a sweeper, oiler or stockmover are off at the same time for 5 days or less, the Committeeperson will replace the sweeper, oiler or stockmover and will only replace the Plant Chairperson as required.

If the Plant Chairperson and a sweeper, oiler or stockmover are off at the same time for more than 5 days, the Committeeperson will replace the Plant Chairperson beginning on the 6th day for 8 hours per day.

Yours truly,

Rick Marshall
Human Resources Manager,
SDD Thorold Plant

SC Letter #35

April 30, 2004

Mr. Dave Smith
CAW Local 676
Bargaining Chairperson
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Dave:

SUBJECT: IN PLANT CAMERAS

During the 2004 negotiations, we discussed the issue of in-plant cameras.

The Company agrees to inform the Union prior to the installation of any additional in-plant cameras and discuss the reason for their installation. It is the Company's intent to install cameras when deemed necessary for the protection of our facility, equipment and employees and not to monitor employees work performance.

Yours truly,

Rick Marshall
Human Resources Manager
SDD Thorold Plant

SC Letter #36

May 31, 2004

Mr. Graham Taylor
Plant Chairperson
CAW Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

Re: Bargaining Committeeperson - SDD

During our 2004 negotiations we discussed and agreed that the SDD Committeeperson would be offered weekend overtime with the following understandings;

In the event that the sweepers cannot fulfill the weekend requirements or are not available for weekend overtime (because of vacations, sickness, etc), the Committeeperson would fill in as a sweeper.

If the committeeperson is replacing the oiler because of vacation, he would be offered overtime as an oiler.

If the Committeeperson is replacing a stockmover because of vacation, he would be offered overtime as a stockmover.

If no overtime was available as a sweeper, oiler or stockmover, the Committeeperson would be offered overtime in his home department after everyone in that department had been offered overtime. The overtime will be offered for any shift available.

It is not our intent to have the only shift available as midnights. Every effort will be made to accommodate a request for a preferred shift. It is understood that the Committeeperson will be the last person in the department to be considered for a preferred shift.

It is to our mutual advantage to have the Committeeperson crossed trained on machines determined to be essential to meeting customer requirements.

Yours truly,

Rick Marshall
Human Resources Manager
Spicer Driveshaft Division
Thorold Plant

SC Letter #37

June 4, 2004

Mr. Graham Taylor
Plant Chairperson
C.A.W. Local 676
20 Walnut Street
St. Catharines, ON
L2T 1H5

Dear Graham:

Re: Selection of Set-up Person

During our 2004 contract negotiations we discussed the selection process to be used when an additional or replacement set-up person is required. It was mutually agreed by both parties that the following process would apply;

- 1) An application for a set-up person will be posted for 24 hours.
- 2) The following criteria will be used in the selection process;
 - a. Experience and time in the department.
 - i. 3 points for more than 5 years
 - ii. 2 points for more than 3 years
 - iii. 1 point for more than 1 year
 - b. Ability to operate machinery in the department.
 - i. 3 points for 90% of equipment
 - ii. 2 points for 75% of equipment
 - iii. 1 point for 50% of equipment
 - c. Education.
 - i. 3 points for technical college diploma
 - ii. 2 points for specialized technical training
 - iii. 1 point for ability to interpret and use EDCAD and process sheets
 - d. Work record.
 - i. 3 points for clear work record
 - ii. 2 points for valid verbal warning
 - iii. 1 point for valid letter of warning
- 3) In the event of 2 or more applicants having very similar qualifications, seniority will be the deciding factor.
- 4) The in-plant chairperson and one in-plant committee person will be included in the selection process on a committee of equal numbers.

Yours truly,

Rick Marshall,
Human Resources Manager

Spicer Driveshaft Division
Thorold Plant

IN WITNESS HEREOF, the parties have caused their names to be subscribed by their duly authorized officers and representatives this 31st day of May, 2004:

FOR THE COMPANY:

P. Teeple
D. McCarthy
G. Fife
R. Marshall
J. Hale
B. Jocsak

FOR THE UNION:

D. Smith, Chairperson
T. Lambert, President
D. Talbot, Plant Chairperson
G. Taylor, Plant Chairperson
R. Burns, Committeeperson
F. Mastromatteo, Committeeperson
M. Gunson, Chairperson Skilled Trades

FOR THE NATIONAL UNION:

G. MacNally
J. Bettes

NOTES:

Calendars

**If you must
be absent...**

**DRIVESHAFT PLANT
CALL YOUR SUPERVISOR**

**FRAME PLANT
CALL FIRST AID @ 905-680-3537**

**DANA CANADA CORP.
Spicer Driveshaft Division, Thorold, Ontario
Structural Solutions Products, Thorold, Ontario**