

Collective Labour Agreement

between

TRW Canada Limited
St. Catharines, Ontario

and

**Thompson Products Employees'
Association**
St. Catharines, Ontario

Effective: May 1, 2009

Expires: April 30, 2012

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Collective Labour Agreement

**This agreement made and entered into this first
day of May, 2009**

between

TRW Canada Limited
St. Catharines, Ontario
(hereinafter referred to as “the Company”)
Of the First Part

and

**Thompson Products Employees’
Association**
St. Catharines, Ontario

Certified under the laws of the province of Ontario
On the 25th day of January, 1944
(hereinafter referred to as “the Association”)
Of the Second Part

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Article 1

General Purpose

1.01 It is the intent and purpose of the parties hereto, to promote close cooperation and maintain a constant spirit of goodwill between the employees and management by assuring the continuous, economical and profitable operations of the plants in St. Catharines, thereby enabling employees and the Company to enjoy, so far as economic conditions may permit, security and continuity of employment and to establish a basic understanding and procedure for the determination of wages, hours of work, working conditions and to provide a means for the amicable adjustments of all grievances arising there from.

1.02 In this agreement words importing the singular shall include the plural and vice versa where the context requires. Words importing the masculine gender shall include the feminine where the context requires.

1.03 By mutual agreement any of the terms and conditions in this agreement may be amended during its term in order to continually improve the competitive position of the Company. No amendments will be made unless it has prior approval of the T.P.E.A. Executive, and the Company.

Article 2

Recognition

2.01 The Company recognizes the Association as the sole collective bargaining representative for all employees at its St. Catharines plants with the exception of all salaried employees.

2.02 The terms "employee" and "employees" as used in this Agreement shall mean and include all employees represented by the Association hereunder except where the context clearly indicates a different meaning.

Article 3

Rights of the Association - Officers and Members

3.01 In the temporary absence of the regular representative, the President of the Association may appoint any other representative to deal with a complaint or grievance. In such a case, the Association will notify the Production Coordinator of the department concerned.

3.02 The Company further agrees to recognize committees and representatives of the Association, duly named and elected by the members of the Association in its relations with the bargaining agency in all matters of negotiations and discussion of grievances as provided for by this Agreement. Meetings between Management and the Executive of the Association shall be held at any time as may be mutually agreed upon.

3.03 Any officer, committee member or representative of the Association on shift, after notifying his Production Coordinator, shall be permitted time away from regular duties without loss of pay as may be reasonably required for the following purposes:

- (a)** To attend such meetings with Company representatives as are herein provided pertaining to matters relating to this Agreement.

- (b)** To investigate and service grievances in accordance with the terms of the Agreement.
- (c)** To attend any special executive meetings of the Association to a maximum of two (2) hours per week.
- (d)** A member of the Association must obtain permission from his Production Coordinator before leaving his workstation to consult with a representative.
- (e)** Any officer, committee member or representative shall be allowed to converse with any member of the T.P.E.A. at any time providing it does not impede or interfere with the production standard.
- (f)** Any officer, committee member or representative shall be paid for any time if required to perform his Association duties on his off shift.
- (g)** All time charged to the Association business during, before or after his shift shall be authorized by the President of the T.P.E.A. or his alternate and the Human Resources Manager, or his alternate, in order to receive payment.
- (h)** In the event of any transfer of work or the opening of any new facility or operation by the Company, the Company shall notify the Association of its intended action.

3.04 In order to preserve the continuity of this Collective Labour Agreement, the Company agrees that for the term of the Agreement, in all matters relating to layoffs, decrease of an operation, displacement and job deletion, the Executive Board of the Association, comprising of the officers and the elected representatives, shall have the highest seniority in their respective departments. In the application of such seniority to the layoff procedure in this Agreement the layoff option shall not apply. The combined total number of such officers and representatives for this purpose shall not exceed a reasonable number that shall be mutually agreed to between the Company and the Association. The Company agrees to twelve (12) officers and representatives for the term of this Agreement.

Article 4

Rights of Management

4.01 The Association recognizes the Company's right to hire, retire, dismiss, transfer, promote, demote, or layoff employees. However, in all such cases of hiring, retiring, dismissal, transfers, promotions, demotions or layoffs, the employees shall have the right to appeal through the Association as provided for in the relevant Articles and in the Grievance Procedure of this Agreement.

4.02 Subject to the provisions of this Agreement, it is recognized and agreed that the management of the plants and the direction and supervision of the employees is vested solely in the Company. Without limiting the generality of this section, the Association also recognizes and agrees that the right to maintain order, discipline and efficiency, to increase or decrease operations, to remove or

install machinery or equipment, to introduce new or improved production methods and facilities, determine the quality and quantity of production, to increase or change production equipment, are vested solely in the Company.

Article 5

No Strikes or Lockouts

5.01 It is hereby agreed that, during the length of this Agreement, the Association will not initiate, authorize, sanction, support or engage in any strike, work stoppage, or slowdown of work, and the Company will not lock out any employee or group of employees since this Agreement provides for the orderly and amicable settlement and adjustment of any and all disputes, differences and grievances.

5.02 The words "strike" and "lock out" as used herein are agreed to have the meanings defined for these words in the present Ontario Labour Relations Act.

Article 6

Association Security

6.01 (a) The Company will not interfere with the rights of the employees to become members of the Association. There shall be no discrimination, interference, restraint or coercion by the Company against any employee because of his membership in the Association.

(b) All present employees shall maintain membership in good standing in the Association during the term of this Agreement and as a condition of employment.

- (c) All new employees hereafter employed, upon completion of the ninety (90) calendar days probationary period, shall become and remain members in good standing of the Association during the term of this Agreement as a condition of employment.
- (d) The Association agrees that all employees hereafter employed shall be eligible for and accepted as members of the Association provided that they meet the same requirements uniformly required of all employees for Association membership as a condition of employment.

6.02 The Company agrees to deduct from each employee's pay on the first pay day in each calendar month during the term of this agreement, the regular monthly Association dues and assessments, or an amount equivalent to them levied by the Association in accordance with its Constitution and By-Laws.

6.03 Each employee of the Company, upon hire shall, as a condition of employment, deposit with the Company an authorization card voluntarily signed by such employee and witnessed authorizing the Company to deduct and pay to the Association the Association dues and assessment described above or an amount equivalent to them.

6.04 The dues and assessment so deducted will be transmitted to the President of the Association on or before the 15th day of each and every month along with a list of employees from whom such deductions are made.

6.05 The Company also agrees that it shall deduct from the employees who sign an Association membership card, the amount of the initiation fees set by the Association. This deduction of initiation fees shall be made by the Company upon notification by the Association that the employee has signed an Association membership card. The initiation fees, as prescribed by the Association Constitution, shall be deducted from the employee's wages on the first pay day of the following calendar month and shall be remitted to the President of the Association on or before the 15th day of the calendar month along with a list of the employees from whom such deductions are made.

6.06 It is agreed that the Company shall not be liable in any manner whatsoever for any action taken under the terms of this Article.

Article 7

Grievance Procedure

7.01 In the event of a complaint by an employee who is covered by this Agreement that he has been dealt with contrary to its terms, he may take the matter up as a grievance with the Company within, and not after, fifteen (15) working days of the date of the incident giving rise to the grievance. It is fully agreed by the parties to this Agreement that the presentation of any grievance must conform to the Grievance Procedure. In all cases of grievances arising from the alleged violation of this Agreement, the Company shall not be liable for damages or compensation unless the grievance has been presented within fifteen (15) working days from the date of the alleged violation.

7.02 The following procedure shall be adhered to in processing grievances:

Step I Verbal Grievance

The aggrieved employee, or group of employees, accompanied by a department representative, will take up the complaint in accordance with Article 7.01 above with the Production Coordinator of the department. The Company and the Association agree that it is the policy and desire of the parties to satisfactorily adjust all such complaints insofar as possible at this level. The Production Coordinator shall give his answer within two (2) regular working days after the day on which he received the complaint. This does not preclude the employee from discussing the complaint with the Production Coordinator without a representative being present prior to initiating a Step I verbal grievance.

Step II

If a satisfactory settlement is not reached at Step I, the grievance shall be entered on a grievance form to be provided by the Company, stating, whenever possible the article or articles of this agreement of which a violation is alleged and the relief sought. The grievance may then be referred by a member of the Grievance Committee or the President of the Association within five (5) working days following the date on which the decision of the Production Coordinator was given, or ought to have been given, as the case may be, to the office of the Manager of Human Resources or his designate. The Plant Management Committee will convene a meeting within five (5) working days following the date on which the Manager of Human Resources received the grievance. The Plant Management Committee shall consist of four (4)

members. Those in attendance for the Association shall be the Grievance Committee, the T.P.E.A. representative from the respective area and the President of the Association. The Plant Management Committee shall give its signed answer in writing within five (5) working days following the date on which the meeting was held.

Step III

If the grievance has not been settled after all of the steps outlined above in the Grievance procedure have been exhausted, it may, by mutual consent **of** the Company and the Association, be referred to mediation within, and not after, ten (10) working days following the date on which the answer of the Plant Management Committee was given, or ought to have been given, as the case may be.

7.03 If the grievance has not been settled after all of the steps outlined above in the Grievance Procedure have been exhausted, it may be referred to arbitration within, and not after, thirty (30) calendar days following the date on which the answer of the Plant Management Committee was given, or ought to have been given, **as** the case may be.

7.04 A grievance by an employee concerning any difference arising directly between the Company and the employee may be submitted at Step II of the Grievance Procedure. Such a "direct type" of grievance shall be in the form prescribed in Step I of the Grievance Procedure and may be instituted within, and not after fifteen (15) working days of the date of the incident giving rise to the grievance.

A "direct type" grievance is defined as a grievance relating to:

- (a) Jury Duty
- (b) Bereavement Pay
- (c) Make-up Pay
- (d) The Pension Plan
- (e) The S.U.B. Plan
- (f) Group Insurance
- (g) Displacement Procedure
- (h) Holiday Pay
- (i) Vacation Pay
- (j) Job Posting
- (k) Standards

7.05 Either the Company or the Association may institute a policy grievance at Step II of the Grievance Procedure. In the case of a Company grievance, it shall be handed to the President of the Association, or in his absence, another officer of the Association. A policy grievance shall be instituted within, and not after, fifteen (15) working days of the date of the incident giving rise to the grievance.

7.06 At any stage of the Grievance Procedure, either party may call in any necessary witnesses who are directly involved in the grievance. Insofar as it is practicable the Company will include the Production Coordinator directly involved with the grievance at the verbal step and at all subsequent steps of the grievance.

7.07 It is fully agreed that if any employee or **party** to this Agreement fails to lodge his or its grievance within the applicable time limit as set out above, or fails to observe the other time limits for processing his or its grievance,

such grievance shall not be dealt with by an Arbitration Board.

7.08 The Company and the Association will honour written requests for reasonable delay in processing grievances. However, should no written request for delay in answering a grievance be made by the Company and no answer be given within the specified time, the Association may, within the specified time, present the grievance at the next step. Should no written request for delay be made by the Association, and the grievance is not presented at the next step within the specified time, the grievance shall be considered to be withdrawn. All time limits specified shall be mandatory.

Article 8

Discharge and Discipline Cases

8.01 (a) The Company shall inform the Association, before or immediately after, suspending an employee. Whenever possible, an Association representative shall be present where such action may be taken. An Association representative shall be present at any meeting where an employee may be disciplined, suspended or discharged. Subject to 10.01 (b), no employee shall be discharged or disciplined without just cause.

(b) Before an employee is discharged for just cause, he will be suspended without pay for a period not to exceed three (3) working days in order to permit time to arrange an investigation. If, as a result of the

investigation, it is determined that the employee should neither be discharged nor disciplined, he will be reimbursed for time lost due to the suspension (with no loss in seniority.)

8.02 In the event that an employee is discharged or suspended from employment for five (5) days or more, the matter shall be taken up at Step II of the Grievance Procedure. Such a grievance shall conform with and be subject to the provisions of Article 7.01 of the Grievance Procedure, including the time limits therein set out and shall be in the form prescribed in Step I.

8.03 In respect of any discharge or discipline grievance, an Arbitration Board may:

- (a) confirm the Company's action,
- (b) uphold the grievance, or
- (c) dispose of the grievance in any manner, which it considers just and equitable.

Article 9

Arbitration

9.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting the Grievance Procedure established in Article 7, notify the other party in writing of his desire to submit the difference or allegation to arbitration and the notice shall contain the name of the first party's appointee

to an Arbitration Board. The recipient of the notice shall, within five (5) days, advise the other party of the name of its appointee to the Arbitration Board. The two (2) appointees so selected shall, within five (5) days of the appointment of the second of them appoint a third person who shall be the Chairman. If the recipient of the notice fails to appoint an arbitrator, or if the two (2) appointees fail to agree upon a Chairman within the time limit, the appointment shall be made by the Ministry of Labour for Ontario upon the request of either party.

9.02 The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The decision of the majority shall be the decision of the Arbitration Board but if there is no majority, the decision of the Chairman shall govern. Each party shall pay its own expenses and the expenses of its appointee and the parties shall share equally the expenses and fees of the Chairman.

9.03 The Board shall have no power to alter, amend or modify this Agreement, or to give a decision inconsistent with the terms of this Agreement.

9.04 At any stage of the Grievance Procedure, including arbitration, the conferring parties may have the assistance of the employee or employees directly involved and any necessary witnesses. All reasonable arrangements will be made to permit the conferring parties to have access to the plant to view disputed operations and to confer with the necessary witnesses.

Article 10

Seniority

Definition of Seniority

10.01 (a) The employee will attain seniority standing after ninety (90) calendar days within a period of twelve (12) consecutive months and will thereupon be credited with three (3) months' service and become a regular employee. Prior to the expiration of this ninety (90) calendar day period, the employee will be considered probationary. **All** days absent with the exception of 10.01 (c) will be added to the employee's probationary period. There will be no responsibility on the part of the Company to re-employ probationary employees who have been laid off or discharged. The Company will inform the President of the Association before discharging any probationary employees.

- (b)** The Association shall represent all probationary employees for the purposes of collective bargaining in respect to rates of pay, wages and hours of employment pursuant to this Agreement, but the Association shall not represent probationary employees who have been laid off or discharged and who have worked sixty (60) calendar days or less in the plant since the date of the last hiring. The Association may represent probationary employees who have worked more than sixty (60) calendar days at the plant, who claim that their discharge is not for just cause; provided however, that the employee shall be deemed to have continued to be on probation.

- (c) An employee who is separated during his probationary period for an occupational disability arising out of his employment by the Company and who is subsequently reinstated shall be required to complete his probationary period, and upon doing so shall have a seniority date which includes the time he was separated due to such disability, plus ninety (90) days. There shall be no seniority among probationary employees.
- (d) Students employed as vacation replacements shall be hired from April 15 to September 1. The Company may also hire five (5) students for vacation replacement from September 1 until April 15. All students must be enrolled in a certified college or university and preference will be given to the children of employees. No student shall be allowed more than two (2) terms of employment. Students will not acquire seniority rights nor be given credit toward acquiring seniority rights.
- (e) The Company may use up to a maximum of five (5) students for up to sixty (60) working days and a maximum of two (2) terms per student for absenteeism reasons. Preference shall be given to children of employees. The Company shall supply the Association with a list of student hires on Monday of each week, which will include the name of the student, and the absent employee being replaced along with the number of days accumulated. Students shall not be hired while employees are on layoff.

Application of Seniority

10.02 In the case of recall, a regular employee shall be credited with all seniority during layoff on the condition that such a recall takes place within thirty-six (36) months from the date of layoff, with the exception of a thirty-six (36) month layoff option. In such a case, the employees vacation entitlement/credits will be frozen after twelve (12) months of layoff, for the duration of this layoff option.

10.03 If there is insufficient work to permit regular employees to complete their eight (8) hour shift during their regularly scheduled work week because of machine breakdown or other reasons, regular employees from within the affected department will be retained on the basis of their seniority for the balance of the shift as long as they are qualified to perform the work that is available.

10.04 A regular employee's seniority record will be credited with any time lost because of an occupational injury, personal illness, an accident outside the Company or industrial illness which was incurred during the course of his employment with the Company equivalent to his credited seniority at the time of his injury or illness or thirty-six (36) consecutive months, whichever is greater. (Effective May 1, 1980).

10.05 (a) Except in the case of a decrease in operations where the scheduled work week in the plants is less than forty (40) hours, seniority may be claimed by any employee whose work week drops to thirty-two (32) hours or less, provided the probationary period

has been completed and the employee is qualified to do the work.

- (b) Inventory. All employees will be asked to work on inventory day and guaranteed eight (8) hours time except for those employees who leave voluntarily. Inventory, if held on the weekend, will be pursuant to Article 14.10. The Company does not guarantee eight (8) hours time for inventory on overtime.

10.06 A regular employee's seniority record will be credited with any time lost because of personal leave of absence obtained in accordance with the provisions of this Agreement up to and including thirty (30) calendar days. Any additional seniority credited to an employee who is granted a leave in excess of thirty (30) days must be mutually agreed upon between the Company and the Association.

10.07 (a) Any employee on salary or accepting a salary job or supervision full time, shall not be allowed to return to the bargaining unit. The Association will be notified immediately of any employee who is placed on any of the above jobs.

- (b) Effective May 1, 2009, no employee shall hold a job outside of the bargaining unit (excluding Temporary Supervision or Floor Contact Technician) for more than one hundred and sixty (160) working days during the term of this Collective Agreement. Any employee who works past the one hundred **and** sixty (160)

working days shall become full-time salary and shall not be allowed to return to the bargaining unit pursuant to Article 10.07 (a) above.

In addition, this article shall be limited to a maximum of twenty-four **(24)** employees performing temporary supervision or floor contact technician for a maximum of ninety (90) working days over the term of this Collective Agreement. Any employee accepting a job performing temporary supervision or Floor Contact Technician over the limited twenty-four **(24)** shall not be allowed the ninety (90) working days and shall automatically become full-time salary and shall not be allowed to return to the bargaining unit. The Association shall be notified each week of employees on temporary supervision, Floor contact Technician or salary. The onus is on the Company to keep track of any such days. This period may be extended by mutual consent by the President of the Association and the Company. Fire Brigade and Safety representatives shall be exempt from any of the above time restrictions. Any employee who works overtime while performing work outside of the bargaining unit shall be charged with those overtime hours in his own job classification and department including the Fire Brigade and Safety Representatives.

10.08 In the case of a company purchased by TRW Canada Limited whose employees and facilities are moved to the plants in St. Catharines, the employee's seniority will start at the time the employee's facilities are moved to St. Catharines. This provision may be reviewed and upon

mutual consent of the Company and the Association secured at the time of purchase.

Qualifications

- 10.09** (a) As used in this Agreement, the term "qualifications" means such factors relating to job performance as: physical fitness, skill and ability, training and experience, licenses (where required), and past work record with the Company, including such items as attendance, safety, quantity and quality of work.
- (b) The determination of an employee's qualifications is the responsibility of the Company with the understanding that any disagreement with the Company's decision may be taken up as a grievance.
- (c) An employee is considered qualified for his job when he is capable of consistently producing standard quantity and quality of work in a workmanlike manner, can make necessary tool and machine adjustments, and perform the various phases of work called for by the job after a training period of not less than five (5) consecutive working days up to a maximum of twenty (20) consecutive working days. The five (5) consecutive working days minimum training period can be reduced if it is mutually agreed to by the Company and the employee.

Should the consecutive training period be interrupted by circumstances beyond the

Company's control, such as machine breakdown, power failure, change in customer requirements, etc., the training period shall continue immediately after the above mentioned circumstances are rectified. The days of interruption shall not be included when calculating the training period. Should an interruption of training last more than two (2) working days, the employee shall be entitled to restart his training period. Should an employee not perform the job for a one (1) year period, he shall be entitled to a new training period. The training period may be reduced if mutually agreed by the employee and the Company.

- (d) When new or modified equipment is introduced, the appropriate training period as outlined in Article 10.09(c) will be provided to the number of employees required for the job.

Notice of Layoff

- 10.10 (a)** Whenever possible, the Company will notify employees as well as the President of the Association of any contemplated layoff in a department at least one week prior to the effective date of such layoff.
- (b) Forty-eight (48) hours' notice (two full working days) will be given to probationary employees as well as regular employees prior to the starting time of their shift before a layoff. In the event that such notice is not

given, then such employees shall receive two (2) days' pay in lieu of such notice. This provision will not apply with respect to layoff resulting from matters beyond the Company's control.

- (c) The Company will provide a list of affected job classifications and departments to the Association.
- (d) There shall be a joint meeting held between the President of the Association or, in the event of his absence, another officer of the Association and the Human Resources representative or in his absence another officer of the Company, before a layoff becomes effective and a list of the employees to be laid off shall be given to the Association at that time.

Layoff Procedure (General)

10.11 In the event that it becomes necessary to reduce the workforce in either Schedule I Appendix I or Schedule II Appendix II, probationary employees will be the first to be laid off. All regular employees will be laid off in accordance with the provisions that follow.

Layoff Procedure All Job Classifications Schedule I Appendix I and Schedule II Appendix II

(a) Definitions:

- (1) Affected job classification is the job classification (per Appendix I and Appendix II) in which a reduction in workforce is required.

- (2) Affected department is the department in which the affected job classification is located and is identified by the normal department number. In the case of Inspection department employees, the affected department shall be the affected assigned area.
- (3) The affected employee shall be the employee regularly employed in the affected job classification at the time the desired workforce reduction is required. Employees holding jobs in the affected area through temporary transfer would be returned to their own job classification and department first or last job held through the displacement procedure according to seniority.
- (4) A layoff cycle for an affected job classification in an affected department shall be that period of time required for each employee to exercise a layoff option at least once or for the term of the Collective Labour Agreement, whichever occurs first.
- (5) For the purpose of this agreement, "comparable" shall mean the employee's job classification that he owns, pursuant to Article 11 or job deletion.

(b) Appendix I Schedule I Employees

Extended Layoff

- (1) In the event that it becomes necessary to reduce the work force, the most senior employee in the affected job classification in the affected

department shall be given the option of layoff or remaining in the affected job classification.

- (2) In the event that the most senior employee elects to remain in the affected job classification the next most senior employee in the affected job classification will be given the option of layoff or remaining in the affected job classification. This process shall continue until the desired workforce reduction is achieved.
- (3) In the event that this process reaches a most junior employee in the affected job classification in the affected department, he may exercise his option to accept an extended layoff or his seniority rights in Schedule I, subject to Article 10.12(a)(5) and his qualifications.

Additional provisions of the extended layoff are outlined in Letters #17 & 31.

Forced Layoff:

1. In the event that this process reaches a most junior employee in the affected job classification in the affected department, he must take the layoff for no more than sixty (60) cumulative days in any consecutive twelve (12) month period from the last day of his layoff in accordance with the terms of the Collective Labour Agreement. The employee may, however, elect to take another layoff within the twelve (12) month period if he so desires.

2. In the event the Company is in a hiring position, the affected employee in the affected department must exercise his displacement rights within Schedule I prior to any forced sixty (60) day layoff. Active apprentices shall be ineligible for an extended layoff during their apprenticeship contract.

c) Appendix II Schedule II Employees

1. In the event that it becomes necessary to reduce the work force, the most senior employee in the affected job classification in the affected department shall be given the option of layoff or remaining in the affected job classification.
2. In the event that the most senior employee elects to remain in the affected job classification, the next most senior employee in the affected job classification will be given the option of layoff or remaining in the affected job classification. This process shall continue until the desired work force reduction is achieved.
3. In the event that this process reaches the most junior employee in the affected job classification in the affected department and he wishes not to exercise his option to take an extended layoff, it will then become open to employees plant-wide on a seniority basis subject to the provisions of the Collective Labour Agreement.
4. In the event that the Company is still unsuccessful in reducing the workforce, the junior employee in the affected job classification

in the affected department will displace a junior employee subject to the provisions of the Collective Labour Agreement.

(d) Key Job Classifications

Displacements into “Precision Cold Form Set-up Instructor” or “Precision Cold Form Technician” will not be permitted for a consecutive period of twelve (12) months. Displacements into the other key job classifications in Appendix II will not be permitted for a period of ninety (90) consecutive calendar days due to their special training requirements. The job classifications included under this Article will include the following:

Job Classification	Wage Group
Precision Cold Form Set-up Instructor	17
Precision Cold Form	16
Tool Proveout and Set-Up Instructor (Forge Shops)	15
Heat Treat Operator	14
Tocco Set-Up	13
Lubrication Service	10
Metalworking Fluid Technician	10

At the time an employee would normally bump into one of the above classifications, that employee will instead bump to the next job classification available to him under the displacement procedure. If ninety (90) consecutive calendar days transpires and the employee is still not recalled to his own job, that affected employee shall exercise his seniority rights at that time and bump into the applicable key job. Furthermore, if the affected employee has lost money as a result of this procedure, he will be reimbursed for all lost monies including overtime experienced over the ninety (90) consecutive work day period. There will be no liability whatsoever should the period of deferred displacement into a key job be less than a full ninety (90) consecutive calendar day period. If it is known that the displacement will equal or exceed ninety (90) consecutive calendar days, then he will be placed on the job immediately. In no event will any employee be laid off because of this deferred displacement procedure.

- (e) In the event that it becomes necessary to reduce the number of apprentices in the work force, the apprentice affected shall immediately displace on a seniority basis employees in Appendix II Schedule II pursuant to the Displacement Procedure. Laid off apprentices will receive S.U.B. benefits calculated on the basis of the current rate of the last job he performed prior to his apprenticeship.
- (f) Any employee thus laid off shall remain on layoff for sixty (60) calendar days, subject to the recall provisions of the Collective Labour Agreement. Frequency of layoff could result in a reduction of an employee's pension and/or vacation credits.

(g) Before the sixty (60) calendar days have expired and the employee's job classification has not opened up, he must be notified by the Human Resources department. The T.P.E.A. must also be notified by the Company in writing regarding recalls. A senior employee's job classification is considered open when junior employees remain at work in the affected job classification. Any employee on an extended or indefinite layoff shall be allowed to exercise his seniority rights to the thirty-six (36) month layoff option, or until his job opens up, whichever occurs first.

- 1) Any employee who is recalled from the thirty-six (36) month layoff and has not completed his layoff option, may if there is a further layoff within the terms of the Collective Labour Agreement, complete the remainder of his layoff option.
- 2) This option is available to all employees once during his employment at TRW.
- 3) An employee's vacation credits will be frozen after twelve (12) months of layoff, for the duration of the layoff option.

(h) In the event an employee elects to remain on layoff, he will do so until his job classification in his home department opens up or thirty-six (36) months, whichever occurs first. In no event shall this procedure result in the Company being placed in a hiring position while regular employees are on layoff.

- (i) In the event that thirty-six (36) months have elapsed, he will return to work on a job offered to him by the Company, subject to the seniority rights of other employees.
- (j) A layoff will be considered complete when all regular employees on layoff have been recalled. For this purpose Schedule I Appendix I employees and Schedule II Appendix II employees shall be considered separate and distinct groups.
- (k) An employee not electing to exercise the option to take a layoff shall not have the opportunity to exercise that option in that cycle again until all other employees in the affected job classification in the affected department have had the opportunity to exercise and complete their option in seniority sequence.
- (l) At the conclusion of a layoff cycle in an affected job classification in an affected department, junior employees not required in the affected job classification must exercise the option to remain on layoff in accordance with Article 10.11 (g) above or exercise seniority in accordance with the displacement procedure. Where the employee elects to exercise seniority and the layoff is continuing, the job classification affected by such a displacement will be considered affected for layoff purposes and the provisions of the above layoff procedures shall apply.
- (m) An employee who is recalled from layoff to his own job classification and department, and has not completed his layoff option, may if there is a further layoff in that job classification and

department within the terms of this Collective Labour Agreement, complete the remainder of his layoff option or exercise his seniority rights as per the Collective Labour Agreement. An employee who elects to exercise his seniority rights will not be given a further layoff option until the layoff cycle is complete as outlined in Article 10.11 (a)(4) above. Vacation periods occurring during an employee's layoff cycle will not be counted as days laid off. Exceptions to this provision are provided in the recall provisions of the Collective Labour Agreement.

- (n) Employees shall communicate their preference to take the option of layoff to the Company at the beginning of each calendar month by making application to the Human Resources Department.

When a layoff is about to take place, the following procedure will apply in all cases of **extended** layoff:

- (1) The senior employee(s) in the affected job classification and department from the list shall be permitted to exercise his option to take layoff.
- (2) Employees who apply for this layoff option will be permitted to refuse the option of layoff.
- (3) Only employees that have communicated their preference to take the option of layoff to the Company need to be asked for this layoff option.

Displacement Procedure

10.12 An employee displaced from his regular job classification and who elects to exercise his seniority rights pursuant to the displacement procedure and providing that he is qualified to do the work in a satisfactory manner, must exhaust all his seniority claims in the following order:

(a) Department

- (1)** An employee must exercise all seniority rights within his department before bumping on a plant-wide basis.
- (2)** In a job classification in his own wage group within his own department, which he is qualified to perform, thus displacing the most junior employee in that job classification and wage group.
- (3)** An employee exhausting seniority rights in his own wage group will displace the most junior employee in the next lower job classification provided he is qualified to perform the work. If he is unsuccessful he will continue to exercise seniority rights to displace in downward movement the most junior employee in each lower job classification until he is successful, provided he is qualified to perform the work.
- (4)** If the affected employee reaches the lowest job classification in a department and is unsuccessful under 10.12 (a) (3), he shall be

permitted to exercise his seniority rights by displacing in upward movement, the most junior employee in each higher job classification until he is successful, provided he is qualified to perform the work.

- (5) If the affected employee is unsuccessful under 10.12 (a) (4), he will be entitled to exercise the plant-wide displacement procedure. However, it is understood that employees in Schedule I will be entitled to exercise displacement rights in a higher job classification within Schedule I provided they have previously held the job through job posting. When an employee is displaced from his home department he will exercise his seniority from his job classification and wage group that he owns through job posting.

(b) Plant-Wide

- (1) On a job in his own job classification on a Company-wide basis, which he is qualified to perform, thus displacing the most junior employee in the job classification.
- (2) On a job in his own wage group on a Company-wide basis, which he is qualified to perform, thus displacing the most junior employee in the wage group.
- (3) An affected employee exhausting seniority rights in his own wage group will displace the most junior employee in the next lower job classification provided he is qualified to perform

the work. If he is unsuccessful, he will continue to exercise seniority rights to displace in downward movement the most junior employee in each lower job classification until he is successful, provided he is qualified to perform the work.

- (4)** If the affected employee reaches the lowest job classification in the plant and is unsuccessful under 10.12 (b) (3) then he shall be permitted to exercise his seniority rights by displacing in upward movement the most junior employee in each higher job classification until he is successful, provided he is qualified to perform the work.
- (c)** In the event of a displacement, the employee's wages will be adjusted as of the first full shift in the new job classification.
- (d)** All manpower changes and allocations resulting from the displacement and recall procedures will be final after fifteen (15) working days after their effective date.
- 10.14 (a)** Should a case arise in the administration of this displacement procedure where there is disagreement over an employee's qualifications, the Company and the Association have agreed that the provisions of Article 10.09 (c) will apply.
- (b)** In the event an employee is laid off contrary to the provisions of this Agreement, he may

within a period not to exceed fifteen (15) working days, arrange for an investigation of his case if he so desires. If as a result of the investigation, it is determined that the employee should not have been laid off, he will be reimbursed for time lost.

10.15 (a) In the event that an operation or department is permanently discontinued, the employees affected will be given preference for work in other departments on comparable jobs in which their qualifications and seniority entitle them. An employee may waive this option and exercise his seniority through the displacement procedure as outlined in Article 10.14. Extended layoff will not be available to employees whose job has been deleted under this Article.

(b) In the event that an operation or department is reactivated, displaced employees shall have recall rights by virtue of their seniority if they so desire. This then becomes their home department. This option is to be extended for a maximum period of twenty-four **(24)** months from the date the operation or department **was** discontinued. If the employee has received a job through Article 11 they must remain on that job.

Recall Procedure From Displacement and Layoff

10.16 (1) (a) Senior employees completing a sixty (60) day layoff option or forced layoff are

considered recalled on the 61st day. However, the employee will return to work at the beginning of the first work week after the sixty (60) day layoff has expired.

(b) When an employee's job classification or department opens up, the senior employee from the department on displacement will be recalled to his job classification or department.

(2) When working schedules are increased, the following procedures shall be followed in recalling regular employees from displacements:

(a) The following procedure in recalling regular employees in reverse order from displacement shall be followed in sequential order, providing he is qualified to perform the work:

1. To his department to an open job.*
2. To his own job classification and department.
3. To his job classification plant-wide.
4. To any job plant-wide he is qualified to perform.

* An open job is one in which, on seniority basis, an employee is entitled to occupy as a result of 10.16 (2), but for which he does not hold job classification rights pursuant to job posting or job deletion. An open job is

not a job, which is vacant and requires a job posting as per Article 11.

- (b)** An employee's regular job classification is defined as the highest skilled operation he is qualified to perform and in which he would be working when the department is operating normally.
 - (c)** Where a temporary job becomes available to which no employee on displacement has recall rights, the most senior employee on indefinite layoff will be recalled, providing he is qualified to perform the duties of that job. An employee thus performing such a temporary job will do so without a reduction in wages. In no event shall this procedure result in the Company being placed in a hiring position while employees are on layoff. A temporary job is defined as a job that is in addition to normal activities in the Company's operations that is not normally expected to become a permanent part of the Company's operations or is a job created through absenteeism, sickness, vacations or leave of absence.
- 3(a)** Regular employees will be recalled from indefinite layoff on the basis of seniority first. The same procedures shall be followed in sequential order as specified in 10.16(2)(a).

- (b) Should a case arise in the administration of this recall procedure where there is disagreement over an employee's qualifications, the Company and the Association have agreed that the provisions of Article 10.09 (c) will apply.
- (c) In no event shall Schedule I Appendix I employees be recalled to fill jobs in Schedule II Appendix II.
- (d) Employees recalled on the same date to open jobs will be placed on jobs comparable to the job they normally perform by virtue of their seniority.

10.17 Employees are responsible for having the correct address and telephone number on file with the Human Resources department at which the Company may reach them. Upon being notified to return to work by registered letter, wire, or personal telephone call, employees shall be allowed five (5) working days to report, excluding the notification day, to the Human Resources department for work. Failure to so report to the Human Resources department within this period of time will serve as notice to the Company that the employee has resigned.

10.18 There shall be a joint meeting held between the President of the Association and the Human Resources representative before any recalls are made.

Seniority Lists

10.19 (a) Seniority lists, showing employees'

years and months of service with the Company will be posted in both plants and these lists shall establish seniority rating of each employee. In the event that employees have the same number of years and months of service, the employee who was hired the earliest day of the first month of his employment shall be shown as having the greatest amount of seniority and his name shall appear first in the seniority list. Employees hired on the same day and having the same seniority date will be listed in reverse alphabetical order. Employees shall be entitled at any time to review their seniority status.

- (b) Seniority lists shall be brought up-to-date every six (6) months and at such time a copy of the new list will be given to the Association.
- (c) The Association will be furnished with a daily list showing any new employees *or* recalls for the previous day.

Termination of Seniority

10.20 Seniority rights shall cease for any of the following reasons:

- (a) If an employee resigns.
- (b) If an employee is laid off for a period in excess of thirty-six (36) consecutive months or if his layoff exceeds his plant seniority, whichever is greater. In no event will an employee be entitled to claim in excess of ten (10) years'

seniority as a result of a layoff extending beyond ten (10) consecutive years for purposes of vacation and long service bonus.

- (c) If an employee is discharged for just cause.
- (d) If an employee has been absent for five (5) consecutive working days without having notified the Company directly, unless an explanation reasonable to the Company is given.
- (e) If an employee is laid off and fails to return to work within five (5) working days after having been duly notified to return to work, unless an explanation reasonable to the Company is given.
- (f) If an employee overstays a leave of absence granted by management in writing and does not secure an extension of such leave, unless an explanation reasonable to the Company is given.
- (g) If an employee retires or is retired. In the case of a disability retirement where an employee recovers from the disability and is able to return to work such employee will be credited with the seniority to which he was entitled at the date on which he commenced his disability retirement.

Article 11

Job Vacancies

11.01 It is the desire of the Company to move regular employees to better paying or more desirable jobs as openings occur. When a permanent vacancy occurs, which is required to be filled by the employer on a full-time basis, a job posting will be placed on the Company's bulletin boards and in the department in which the posted job is located for a period of three (3) working days and will describe the job requirements, the rate of pay, or department and the effective date by which the job is to be filled. Employees receiving a job from a job posting will sign for that job classification and department, and at that time it will become his job classification and department. Displaced Skilled Trades employees may apply and receive a job in Schedule II without loss of recall rights to their job classification in Schedule I. Upon recall to Schedule I, the employee will then relinquish any recall rights to any job in Schedule II. Schedule I employees who receive a job posting in Schedule II may relinquish their recall rights to Schedule I by signing a waiver form at the time of the posting if they so desire.

- (a) All jobs shall be posted within five (5) days of the permanent vacancy.
- (b) Job vacancies will not be posted in the following cases:
 - (1) Temporary jobs.
 - (2) Job vacancies which have been posted in the previous one (1) month unless such a posting has been exhausted in which case a second posting shall be posted and exhausted before hiring from outside.

- (3) While employees in the job classification in the department in which the vacancy occurs are on layoff or have been displaced.
- (4) When an apprentice completes his apprenticeship he will be absorbed in his trade without a job posting, subject to his seniority.

11.02 In considering applications from regular employees for job postings, employees with seniority and qualifications will be given consideration on a plant-wide basis in filling such jobs. The senior applicant qualified to perform the job will be selected. Qualifications as applied to job postings shall mean such factors relating to job performance as physical fitness, skill and ability, licenses (where required) and past work record with the Company. Prior to the final selection of the successful job applicant, the Area Manager or appropriate department head, the Manager of Human Resources shall review all applications and communicate their decision to the President of the Association or the appropriate department representative.

11.03 Where a dispute arises in the selection of an applicant for job posting, the provisions of Article 10.09 (c) will apply to the most senior applicant. For job vacancies in Precision Cold Form Set-up Instructor and Precision Form Technician, the trial period will be sixty (60) consecutive working days. In the event the employee fails to meet the requirements of the job during the trial period, he shall be returned to his former job and the job will then be filled by the Company in accordance with Article 11.02 above and from original job applicants.

11.04 A regular employee who is transferred in accordance with this Article will receive the rate of pay for the job at the time of his transfer. He will remain on that job for a period of four (4) months before he can request a further transfer, unless such an employee is laid off. Exceptions can be made to time beyond four (4) months that he must remain on these special jobs before he can request another transfer. These exceptions however, must be mutually agreed to between the Company and the Association before they become effective. This four (4) month limitation shall not apply to employees applying for any job openings in Schedule I or any apprenticeship openings.

11.05 The term "transfers" as used in this Article does not apply in the case of an employee who is transferred to a lower rated job when such a transfer is the result of a layoff or a recall as outlined in Article 10 of this Agreement.

11.06 Application for Transfer or Returning to Work Related to Health Reasons

- (a) A regular employee returning to work after an occupational injury or illness (Compensation), or from Weekly Sick Benefit (including an accident outside the Company), who has completed his benefit coverage of either the maximum of fifty-two (52) weeks, or is ready to return to work but is permanently restricted from performing in his regular job classification which he holds pursuant to Article 11, must produce medical documentation satisfactory to the Company

clearly certifying his medical restrictions and his physical inability to perform his job. He will then be entitled to exercise his seniority rights to permanently displace a more junior employee plant-wide to a job he is qualified to perform.

- (b) If the disabled employee later provides medical documentation satisfactory to the Company, clearly certifying his ability to perform his original job, he will be returned to that job regardless of seniority. The disabled employee shall be required to submit to a physical examination at any time for the purpose of determining his medical condition, whenever such examination shall be requested by the Company or the Association.
- (c) This procedure does not in any way limit the right of the Company to place disabled employees on the short term modified work program.
- (d) An employee on permanent disability is defined as one who is unable to perform his regular occupation because of a physical restriction. In order for an employee to qualify for this permanent displacement procedure, he must undergo a medical assessment at an approved medical institution at Company expense to determine the extent of his impairment.
- (e) An employee performing the job of the employee who is absent due to an occupational injury, industrial illness,

personal illness or accident outside the plant, will do so on a temporary transfer basis for a period of up to six (6) months (or longer if mutually agreed to by the Company and the Association).

- (f) A regular employee returning to work under this Article whose former job classification has been discontinued will be entitled to exercise his seniority rights pursuant to Article 10.15 (a).

Temporary Transfers within the Employee's Department

11.07 These are job assignments made for a period of ten (10) weeks or less. When an employee is temporarily transferred to a job carrying a lower rate of pay for the Company's convenience, and while there is work on his own job, he will continue at his present rate of pay. If such a transfer is to a higher rate job, he will be paid the maximum rate of pay for the job. Where practicable, the senior employee will be given the opportunity to temporarily transfer to higher paying jobs or more desirable jobs within the department. Where a temporary job is to be filled by a temporary transfer, an individual employee cannot fill such a job beyond ten (10) weeks unless mutually agreed to by the Company and the Association.

Article 12

Bulletin Boards

12.01 Space on the bulletin boards of the Company will be available for exclusive use of the Association for posting notices pertaining to official Association business such as: notices of meetings, elections, recreational activities and

listing of Association officers, etc. Such notices must be signed by the President or Vice-president of the Association. For communication purposes, a copy of such notices will be forwarded to the Manager of Human Resources.

Article 13

Leave of Absence

13.01 Upon the recommendation of the Production Coordinator and approval of the Area Manager and the Manager of Human Resources, an employee may be granted a leave of absence without pay for special circumstances. It is agreed, however, that no employee may engage in other employment while on leave of absence, and that employment elsewhere during such period will automatically terminate the leave of absence, the seniority record, employee benefits and other employment rights with the Company. Applications for leave of absence will be filed in writing to the employee's Production Co-ordinator. A copy of the request for a leave of absence shall be given to the Association. Thirty (30) calendar days will be the maximum period of time for which a leave of absence will be granted, but extensions of this period may be granted by the Company at its discretion provided satisfactory reasons are presented before the thirty (30) day period expires.

Educational Leave

13.02 (a) An employee with three (3) or more year's seniority may request to attend any accredited Education institution at a secondary or post secondary education level or its equivalent. Such leaves will be provided to employees for

a period not to exceed three (3) years on a first-come-first-serve basis, subject to a maximum number to be periodically reviewed by the Company. The employee's seniority will be frozen and all benefits will be suspended as of the date the leave commences. The employee on leave will notify the Company within two (2) weeks of the completion or withdrawal from his education program and the employee will return to work. The employee shall assume the job classification and department of the most junior employee on the seniority list in his schedule, which the junior employee owns through job posting.

The Company reserves the right to terminate the leave and all employment rights of the employee if the employee fails to continue full-time enrolment in his selected program and fails to return to work. Any job classification vacancy, which is open as a result of an education leave, will be posted as per Article 11.

- (b) The Company will notify the Association of any employee on an educational leave and the amount of time the employee is off. The Association will be notified of any completion or withdrawal from the education program immediately.

Jury Duty

- 13.03 (a)** An employee who is summoned for jury duty or who is subpoenaed as a witness and who by

virtue of such duty loses time from work shall receive for each day of such jury duty the difference between the pay lost on that day and the jury fee received.

- (b) In order to receive such payment, an employee must give the Company prior notice that he has been summoned for jury duty or as a witness, and must furnish satisfactory evidence that he reported for or performed jury duty or served as a witness on the days for which he claims such payment. Payment will be computed on an eight (8) hour day at the employee's straight time hourly rate, including cost-of-living but excluding shift or other premiums.
- (c) **An** employee who is on vacation or holiday and who is summoned for jury duty or who **is** subpoenaed **as** a witness will be able to re-schedule those days lost **at** another time, subject to the same provisions as 13.03(b).

Bereavement Compensation

- 13.04 (a)** In the event of the death of an employee's spouse, child, parent, sister, brother, brother-in-law, sister-in-law, mother-in-law, father-in-law, grandchild, the employee will be paid for all regular time lost on the following basis providing the days are taken within seven (7) working days of the death excluding paid days off:

- (1) Up to a maximum of three (3) days pay at his regular straight time rate for eight (8) hours (including cost-of-living) for arranging and/or attending the funeral; or
 - (2) One (1) day's pay at his regular straight time rate for eight (8) hours (including cost-of-living) if he does not attend or arrange the funeral.
- (b) In the event of the death of an employee's grandparent, son-in-law, daughter-in-law, or spouse's grandparent, the employee will be paid for all regular time lost on the following basis providing the day is taken within seven (7) working days of the death excluding paid days off:
- (1) One (1) day's pay at his regular straight time rate for eight (8) hours (including cost-of-living) for attending the funeral.
- (c) With respect to 13.04 (a) and 13.04 (b) should a bereavement occur during an employee's vacation or holiday, he will receive his bereavement entitlement at a later date.
- (d) In order for an employee to be entitled to payment under this Article:
- (1) The employee must provide the Company with proof of death upon request.

(2) The claim for payment must be made to the Human Resources department.

Pregnancy Leave

13.05 Requests by eligible employees for an unpaid leave of absence for pregnancy leave will be considered and approved subject to the terms and conditions of the Employment Standards Act of Ontario.

Public Office Leaves

13.06 Any bargaining unit employee with at least three (3) years seniority who is elected to public office (Municipal, Regional, Provincial, or Federal) shall apply in writing to the Manager of Human Resources and be granted a leave of absence for the period necessary to fulfill such office. The employee's seniority will be frozen and all benefits will be suspended the date the leave commences. The employee will notify the Company within two (2) weeks of the completion of his term in office. On his return he will displace the most junior employee in the bargaining unit subject to his seniority and Article 10 of the Agreement.

Military Leave/Peacekeeping Leave

13.07 An employee with three (3) or more years' seniority may apply for a leave of absence without pay for voluntary Military or Peacekeeping duties for a pre-determined period of time to serve in the Canadian Armed Forces. Such leave may be granted for a period of not less than three (3) months and not more than two (2) years. (Subsequent leaves may be granted after twelve (12) months of the completion of a previous leave of absence.) The employee will provide the proper documentation verifying assignment to military duty from the appropriate military branch detailing the amount of time of the leave.

The employee's seniority will be frozen and all benefits will be suspended as of the date the leave commences. Subject to seniority, failure to return to work upon completion of the leave will result in the employee's termination of employment.

Article 14

Hours of Work and Overtime

14.01 This Article is intended to set forth the basic schedule of hours upon which weekly production is planned and related overtime premiums paid. It shall not be construed as a guarantee of working hours.

Work Week

14.02 For payroll purposes, the work week shall begin at 11 p.m. Saturday and continue for seven (7) consecutive twenty-four (24) hour days. All wages shall be paid on a weekly basis (Thursday of each week), except when there is a holiday involved.

Hours of Work

14.03 With the exception of three (3) shift operations, the normal hours of work shall not exceed eight (8) hours per shift and forty (40) hours per week beginning 7 a.m. Monday and ending 11 p.m. Friday.

- (a) The normal hours of work for a two (2) shift operation shall not include a paid lunch period with the exception of Friday, in which case a half-hour lunch period will be paid. In no event will an employee working steady days be eligible for a paid lunch period.

14.04 Where a three (3) shift operation is scheduled, the shifts will rotate weekly from 11 pm to 7 am, 3 pm to 11 pm and 7 am to 3 pm and will include a paid lunch.

14.05 Where an increase in work load requires that the Company schedule a two (2) shift operation where formerly there was only one (1) shift, employees who normally perform the work will rotate, unless otherwise mutually agreed upon by the Association and the Company.

- 14.06** (a) Where a department or an operation normally is scheduled for sixteen (16) hours on two (2) rotating shifts and a third shift is required, the following procedure will apply: Employees working from 7 am to 3:30 pm will work 11 pm to 7 am. Employees working 3:30 pm to 12 midnight will work 7 am to 3 pm, and the open shift will be from 3 pm to 11 pm.
- (b) When a three (3) shift operation goes down to a two (2) shift operation the following procedure will apply. The day shift (7 am to 3 pm) will go to the afternoon shift, the afternoon shift (3 pm to 11 pm) will go to the day shift, the night shift (11 pm to 7 am) will go to the day shift. If there are too many people for days the junior people coming from the 11 pm to 7 am shift will go on the afternoon shift to balance it out.

14.08 Hours of work for weekend overtime shifts shall be 7 am to 3 pm, 3 pm to 11 pm, and 11 pm to 7 am, regardless of the employee's regular shift during the week.

Changes in Work Schedules

14.09 The Company will meet with the Association prior to any change in the schedule of working hours.

Should the Company request a change in the work schedule resulting in a reduced work week, the Company and the Association have agreed to the following:

- a) The contracting out provisions of Letter #8 shall apply;
- b) For the purpose of pension and vacation, active employees will be credited with forty (40) hours when working a thirty-two (32) hour work week;
- c) The Company shall not hire new employees in Schedule II;
- d) The hours of work provision in Article 14.03 shall apply;
- e) In the event that work must be performed on the open day(s) and an employee declines to work, he shall not be required to use a vacation day;
- f) Application for any benefit program(s) (ie Workshare) shall be made at that time.

Overtime

14.10 It is understood that overtime shall be distributed as evenly as practicable among all employees normally performing the job classification in the department by low hours, seniority and shift for all departments except that in

departments 4580, 5186, 5287, 5388 and 5489, overtime will not be based on shift but will include all other criteria as specified above. Informal guidelines established by the T.P.E.A. representative and the area manager are recognized by the Association and the Company. These informal guidelines will be in force on a year to year basis. If changes are not made or agreed to, the existing informal guidelines shall remain in place for the following year.

- (a) (1) All probationary, permanently transferred, displaced, temporarily transferred or recalled employees will be credited with the highest overtime hours of the job classification in the department, or assigned area for inspection and shipping & receiving to which they are assigned.
- (2) Employees recalled from layoff or displacement to their own job classification and department, or assigned area for inspection and shipping & receiving, shall be credited with their accumulated overtime or the average overtime, whichever is greater of their job classification in their department or assigned area.
- (3) If additional overtime is required and eligible employees are not available within the job classification and department, the following procedure shall apply in sequential order provided he has low hours, seniority and is qualified to perform the work.
 1. By established overtime guidelines
 2. On a departmental basis

3. Plant-Wide

- (b) Employees on leave of absence, weekly sick benefits, compensation or temporarily transferred will be charged with the overtime hours that they would normally be scheduled to work in their job classification, or assigned area for inspection and shipping & receiving in their home department.
- (c) Employees who are approached on Thursday (Wednesday when Friday is a holiday) before the end of their regularly scheduled shift to work overtime on the weekend and who refuse shall be charged with having worked overtime providing it was the employee's turn to have worked overtime. Employees who are approached during their regularly scheduled shift to work overtime over and above that regularly scheduled shift and who refuse shall not be charged with having worked overtime. If the employee works the overtime, he shall be charged with the overtime. **An** employee refusing to work overtime on a holiday as in Article 19 shall not be charged overtime unless otherwise specified in the department overtime guidelines.
- (d) For vacation and layoff purposes, the work week will end on the last scheduled shift on Friday and an employee under this section will be eligible for overtime on the first weekend. "Backup employees" as identified in Letter #12 shall be asked for overtime only after all regular

operators have been asked to work unless the backup operator is eligible according to the established overtime guidelines.

For Vacation Purposes:

- 1) The employee has the option of refusal. **If** so, he will not be charged with the hours refused. **If** he works the overtime, he will be charged with those hours.
- 2) The employee is not eligible for, and the Company is not obligated to offer the employee, overtime on the weekend prior to his return to work, or other weekends during his vacation period unless the employee advises the Company of his availability for work.
- 3) Employees actively at work will be assigned overtime and the Company is not obligated to offer the overtime to the individual on vacation until the Company has to go outside the department to find enough volunteers for the available overtime.
- 4) It will be the responsibility of the employee on vacation to inform the Company of his availability to work forty-eight **(48)** hours prior to the overtime shift.

For Layoff Purposes:

- 5) If all employees in the job classification in the department have been asked to work, and only at

that time, employees going on layoff may be asked for overtime. The employee has the option of refusal. If so, he will not be charged with the hours refused. If he works the overtime, he will be charged with those hours.

- (e) Employees on jury duty or bereavement as covered under the Collective Labour Agreement will have the option of accepting or declining overtime scheduled that week. If the employee declines the overtime, he will not be charged as having worked the overtime pursuant to subsection (c). The responsibility lies solely with the employee to call in and advise if he wishes to work the overtime. If the employee does not call in at least sixteen (16) hours prior to the overtime, he will not be eligible for the overtime nor will he be charged.
- (f) For record keeping purposes and for the allocation of overtime, at the commencement of the calendar year, overtime will begin at zero. The accumulated overtime will be calculated on a weekly basis. The overtime shall be computed as of the end of the second shift every Sunday evening and no other overtime for purposes of calculation or assignment will be added until the following Sunday night.
- (g) Probationary employees on temporary jobs or on temporary transfers and employees on modified work due to injury or illness who have been temporarily transferred to another job classification shall not be eligible for overtime until all regular eligible employees in the department have been asked to work.

- (h) A temporary production co-ordinator working outside the bargaining unit will be charged with overtime hours whenever his job classification in his department on his shift is scheduled to work overtime in the week or on the weekend. An employee who is on temporary supervision or on a temporary job outside of the bargaining unit for one (1) day or more during the regular work week shall not be eligible for overtime in his job classification and department until all employees plant-wide have been asked to work.
- (i) Employees who work in their own job classification and department during the regular work week and who work in a job classification outside of their own department shall be charged in their home department for all outside overtime hours worked. This includes Safety Committee and Fire Brigade.
- (j) Students shall not be eligible for weekend overtime if there are qualified regular employees available to perform the work. Employees must register in the Human Resources Department if interested in working overtime in another department on weekends. Schedule I employees are excluded from working overtime in another department in Schedule II. Weekend overtime work for students is not available in the General Services Department, Stockroom, and Lift Truck & Stockhandler unless every employee in Schedule II has been asked to work.

14.11 Time and one-half will be paid for work performed in any consecutive twenty-four (24) hour period within the work week.

(a) To all employees, including Stationary Engineers, who **work** in **excess** of eight (8) hours per **day**.

(b) To all employees except Stationary Engineers, who work from 11 pm Friday to 11 pm Saturday.

(c) To Stationary Engineers for time worked on the sixth day that such employee is scheduled to work in the work week.

(d) Irregular Shift Changes: an employee shall be paid premium time for the first assigned shift worked under the following circumstances:

1. If, after leaving the plant at the end of his regular shift on Friday (Thursday when Friday is a holiday), he is requested to change his shift for the coming week.

2. If he is requested to change his shift after the beginning of his scheduled work week.

3. If he misses the first shift of his regular work schedule as a result of the irregular shift change.

(e) Time and one-half will be paid for working a sixth shift between 11 pm Sunday and 11 pm Friday.

14.12 Double time will be paid for work performed:

(a) To all employees except Stationary Engineers, who work from 11 pm Saturday to 11 pm Sunday.

- (b) To Stationary Engineers for time worked on the seventh day that such employee is scheduled to work in the work week.
- (c) To all employees, including Stationary Engineers, for work performed on a paid holiday listed under Article 19 of this Agreement, the holiday being deemed for this purpose to be the twenty-four (24) hour period.

14.13 Overtime premium payments shall not be duplicated or pyramided for the same hours worked.

14.14 Overtime premium will not be paid:

- (a) For time exchanged between individual employees by mutual agreement.
- (b) For attendance at Negotiation and Joint Council meetings or special Executive meetings of the Association.

Call Back

14.16 (a) It is the policy of the Company to observe the regularly scheduled hours assigned to employees insofar as is practicable. As a matter of policy, the Company will not call back employees who have clocked out, except to do a job of an important nature.

- (b) If an employee is called back at any time outside his normal working hours to perform a job of an important nature, he shall be paid the applicable premium rate including shift premium and COLA for the time actually worked outside of his normal working hours.

- (c) If the time worked is less than four (4) hours he shall receive four (4) hours' pay at the premium rate including shift premium and COLA.

Call-In

14.17 An employee who is called in advance of his regular scheduled starting time to perform work will be paid at the applicable premium rate for all hours immediately prior to the commencement of his regular shift including COLA and shift premium.

Reporting Time

14.18 (a) An employee who reports to work as scheduled, not having been told previously not to report (or in the case of an employee who was not at work on the previous day, was notified to report) and is not assigned work, shall be paid for four (4) hours at his job rate including shift premium and COLA for so reporting. If such an employee is assigned work by the Company, he shall be paid a minimum of four (4) hours' time at his job rate including shift premium and COLA, or be paid for hours actually worked at the appropriate rate, whichever is greater.

- (b) In the event there is lack of work due to reasons beyond the control of the Company such as power failures, floods, a water shortage, fuel shortage, fires or severe weather conditions affecting the majority of employees in a plant or department, the following conditions shall apply:

- (1) If an employee is notified of the emergency by radio, newspaper, telephone or plant security and is instructed not to report he shall receive four (4) hours pay at his regular job rate including COLA and shift premium provided he has worked on the last regular shift prior to the emergency and that he works the next regular shift after the emergency.
- (2) It is understood that for eight (8) hours in such emergency situations, the seniority provisions of Article 10.05 shall not apply.

14.19 An employee reporting for work on Saturday, Sunday and Paid Holidays, having been requested by the Company to report, and is not assigned work in the job classification and department he was reporting for, shall be guaranteed a minimum of four (4) hours at the appropriate overtime rate including shift premium and COLA.

Rest Periods

14.20 All hourly-rated employees are entitled to the following rest and lunch periods, which are to be taken at the time indicated below. unless otherwise scheduled:

Employees who work on the 11-7 shift shall not be allowed to leave Company property during their rest periods.

10 am to 10:10 am - All employees working days

9 pm to 9:10 pm - Employees working 3 pm to 11 pm
or 3:30 pm to 12 midnight

1 am to 1:10 am - Employees working 11 pm to
7 am

Lunch Periods

14.21

12 noon to 12:30 pm - All employees working days

7 pm to 7:30 pm - Employees working 3 pm to 11 pm
or 3:30 pm to 12 midnight

3 am to 3:30 am - Employees working 11 pm to 7 am

Clean-up, Wash-up and Starting Times

14.22 (a) All employees shall be permitted to stop work five (5) minutes prior to the end of their shift. This time will be allotted to cleaning up machines and work areas.

(b) When a shift begins, each employee is required to be at his machine or place of work. If unavoidably prevented from reporting for work, an employee shall notify the Security Officer on duty as far in advance as possible,

who in turn, will notify the Production Co-ordinator concerned.

14.23 Employees will be paid by submitting a daily job card. It is the responsibility of the employee to provide supervision with the daily job card for hours worked and the responsibility of the Production Coordinator to forward the job card to payroll to process payment of wages.

Article 15

Shift Premium

15.01 Effective May 1, 2009, the Company will pay a premium of \$0.00 per hour for all work performed on the afternoon shift and \$0.00 per hour for all work performed on the night shift.

Article 16

Wages

16.01 Rates shown in Appendices I and II will be effective as of May 1, 2009

(a) Effective May 1, 2009, the cost-of-living allowance of \$1.779 which is floating from the previous 2006-2009 Collective Agreement will not be folded into the base rate.

16.02 Appendices will be revised to reflect the new rate as provided in Article 16.01 of the 2009 Collective Labour Agreement.

Article 17

Cost-of-Living-Allowance

17.01 During the term of this Agreement, automatic wage adjustments shall be made upward and downward based upon changes in the official Consumer Price Index published by Statistics Canada (1992 = 100) and hereinafter referred to as the Consumer Price Index.

17.02 Commencing the first shift of the first day beginning on or after July 31, 2009 the Cost-of-Living Allowance shall be \$0.00 per hour.

17.03 Further cost-of-living adjustments will be made commencing the first shift of the first day after the effective date indicated in the following schedule and shall be one cent per hour for each 0.0736 increase in the official Consumer Price Index. The effective date of pay adjustment will be the Sunday of the work week in which the adjustment date falls.

Effective date Of Adjustment	Based on Consumer Price Index Change Between the Months of:
---	--

June 1, 2011	January, 2011 and April, 2011
September 1, 2011	April, 2011 and July, 2011
December 1, 2011	July, 2011 and October, 2011
March 1, 2012	October, 2011 and Jan., 2012

17.04 In the event that Statistics Canada does not issue the appropriate Consumer Price Index on or before the beginning of one of the payout periods referred to in 17.03 above, any adjustments in the Cost-of-Living Allowance

required by such appropriate Index shall be retroactive to the date it should have been paid.

17.05 Adjustments, retroactive or otherwise, shall be made in the amount of the Cost-of-Living allowance due to any revision which may later be made in the published figures for the Index for any month on the basis of which the allowance shall have been determined.

17.06 The continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the official monthly Statistics Canada Consumer Price Index in the present form and calculated on the same basis as the Index published in May, 2006 unless otherwise agreed upon by the parties.

17.07 The Cost-of-Living Allowance provided for herein shall be paid to each employee for each hour worked. The amount of any Cost-of-Living Allowance in effect at the time shall be included in computing holiday payments, call-in pay, call-back pay, reporting time pay, jury duty pay and bereavement pay. In the case of vacation pay, the Cost-of-Living Allowance in effect on June 30 of the vacation year shall be used in computing vacation pay.

Article 18

Standards

18.01 The Company and the Association recognize that job security and opportunity depend upon constantly improving product quality, and constantly lowering production costs through time-saving methods and equipment. To this end, the parties agree that labour standards will be established fairly and equitably, and in accordance with the principles of a full day's pay for a full

day's work without injury to the health or safety of employees.

18.02 Standards now in effect, or subsequently placed in effect, shall not be changed except when justified by changes in tools, grinding wheels, machine feeds and speeds, materials and material handling methods and equipment, product design and stock removal, sequence of operational elements and operations directly affecting other operations. The Company will notify the President of the Association and the affected representatives of its intent to re-study jobs that may require standard changes as a result of the conditions outlined in this Article.

18.03 The Company agrees that it will establish all standards having due regard for the pace that a man can steadily maintain. The Company further agrees that it will provide in the time standards an adequate allowance for personal time with due regard for the conditions associated with a particular operation.

18.04 The Association also agrees that new production standards will be given a proper and fair trial by regular operators working at the job. In the event that for proper cause, a labour standard becomes a matter of contention and unacceptable to the affected employee, it may become the subject of a grievance. If there is a dispute in such a grievance, the onus is on the Company to justify the change in the standard to the arbitrator or the arbitration board.

18.05 In the event that a new job is introduced which by virtue of its content cannot be placed into an existing classification, or when the content of an existing job is

changed to the extent that it no longer falls within an existing classification, the Company will establish a new classification and a rate covering the job in question and will designate it as temporary. The Company will notify the Association in writing of the new classification and rate. The new classification and rate shall be considered as temporary for a period of thirty (30) calendar days following the date of notification to the Association and during this period (but not thereafter) the Association may give the Company written notice of its desire to negotiate the rate of the new classification. The negotiated rate, if higher than the temporary rate, shall be applied retroactively to the date of the establishment of the temporary classification and rate, unless otherwise agreed upon between the Company and the Association.

If no request is made by the Association to negotiate the rate within the thirty (30) day period, or if no grievance is instituted concerning the new classification and rate within sixty (60) calendar days of the date of written notification to the Association, or in the event that the Company and the Association agree upon a rate for the new classification, as the case may be, the new classification and rate shall become part of this Agreement.

Article 19

*** Paid Holidays**

19.01 The following days are recognized as paid holidays for all employees:

Holiday Schedule

First Year *

- | | |
|-------------------------|--------------|
| 1. Monday, May 18, 2009 | Victoria Day |
| 2. Friday, July 3, 2009 | Canada Day |

3. Monday, September 7, 2009	Labour Day
4. Monday, October 12, 2009	Thanksgiving
5. Thursday, December 24, 2009	Floater
6. Friday, December 25, 2009	Christmas Day
7. Monday, December 28, 2009	Boxing Day
8. Tuesday, December 29, 2009	Floater
9. Wednesday, December 30, 2009	Floater
10. Thursday, December 31, 2009	Floater
11. Friday, January 1, 2010	New Year's Day
12. Friday, April 2, 2010	Good Friday

* In the event that paid holidays fall within the annual plant shutdown, they shall be observed on the last previous scheduled workday of the preceding week.

Holiday Schedule Second Year *

1. Monday, May 24, 2010	Victoria Day
2. Friday, July 2, 2010	Canada Day
3. Monday, September 6, 2010	Labour Day
4. Monday, October 11, 2010	Thanksgiving
5. Friday, December 24, 2010	Floater
6. Monday, December 27, 2010	Christmas Day
7. Tuesday, December 28, 2010	Boxing Day
8. Wednesday, December 29, 2010	Floater
9. Thursday, December 30, 2010	Floater
10. Friday, December 31, 2010	New Year's Day
11. Friday, April 22, 2011	Good Friday

* In the event that paid holidays fall within the annual plant shutdown, they shall be observed on the last previous scheduled workday of the preceding week.

Holiday Schedule

Third Year *

1. Monday, May 23, 2011	Victoria Day
2. Friday, July 1, 2011	Canada Day
3. Monday, September 5, 2011	Labour Day
4. Monday, October 10, 2011	Thanksgiving
5. Monday, December 26, 2011	Christmas Day
6. Tuesday, December 27, 2011	Boxing Day
7. Wednesday, December 28, 2011	Floater
8. Thursday, December 29, 2011	Floater
9. Friday, December 30, 2011	New Year's Day
10. Friday, April 6, 2012	Good Friday

* In the event that paid holidays fall within the annual plant shutdown, they shall be observed on the last previous scheduled workday.

Paid Personal Holidays (P.P.H.)

19.02 It is agreed the two working days preceding and following the Christmas Shutdown period will not be available for scheduling of Paid Personal Holidays (PPH). Employees with one-year seniority or more will be entitled to individually scheduled P.P.H.'s on the following basis with a minimum of twenty-four (24) hours notice:

- (a) First year of the Agreement, zero (0) P.P.H.'s to be scheduled between May 1, 2009 and April 30, 2010.
- (b) Second year of the Agreement, one (1) P.P.H. to be scheduled between May 1, 2010 and April 30, 2011.

- (c) Third year of the Agreement, two (2) P.P.H.'s to be scheduled between May 1, 2011 and April 30, 2012.
- (d) An employee may apply for and receive pay in lieu of P.P.H.'s.

19.03 To be eligible to receive holiday pay, an employee must have worked on his last scheduled work day prior to the holiday and his first scheduled work day after the holiday unless such absence is due to one of the following reasons:

- (a) To attend the funeral of a member of an employee's immediate family
- (b) Due to a birth in the employee's immediate family
- (c) Due to special circumstances which must receive approval of the Production Coordinator and the Manager of Human Resources.

19.04 At the time a holiday occurs, any employee who is absent and in receipt of Weekly Sick Benefits or Workers' Compensation, shall receive the difference in pay between that which he receives as a Weekly Sick Benefit or Compensation, and that to which he would normally have been entitled for the holiday had he actually been at work.

19.05 An employee eligible to receive holiday pay shall receive eight (8) hours' pay at his regular job rate including Cost-of-Living Allowance.

19.06 Eligible employees who work in the week prior to December 1 and are laid off in a reduction in work force after that date shall, if otherwise eligible, receive pay for each of the holidays in the Christmas holiday period, providing such employees worked the last scheduled work day prior to such layoff.

Article 20

Vacations

20.01 The Company endorses the principle of annual vacations providing opportunity for the healthful rest and recreation of all employees.

20.02 It is the policy of the Company that as many employees as possible take their vacation during the regular vacation period.

20.03 As early as possible each year, the Company, after discussion with the Association, shall determine the vacation period for that year.

20.04 In the event that special circumstances require that employees work during the vacation period, the affected employee shall be permitted an alternate vacation period which may not be changed unless mutually agreed to by the employee and the Production Coordinator.

20.05 A vacation may be postponed or rescheduled for a later date in case of illness or other disability occurring prior to or extending into the scheduled date, providing it does not affect the operations of that department.

20.06 A vacation may not be waived by an employee and extra pay received for work during the period except as provided in Article 20.10.

20.07 Vacations may not be postponed from one year to another and made cumulative.

20.08 Employees entitled to more vacation than the scheduled vacation period will have their additional vacation scheduled before November 1. Both parties understand and agree that there may be times when not all vacation requests may be granted for an employee(s). In the event that the Company must limit the number of employees scheduling vacation for the same day(s), the employee(s) that made the request first will be given preference for the vacation day(s).

Vacation Year

20.09 The period from July 1 to June 30 will be the basis for determining service for vacation purposes.

Vacation Pay

20.10 (a) Employees with one year's service or more, who worked a minimum of 1,300 hours during the period July 1 to June 30 will be entitled to a paid vacation. The basis for computing vacation pay will be the employee's regular straight time hourly rate (averaged over the period from July 1 to June 30 of the vacation year), multiplied by the hours for years of service, as outlined below:

Effective May 1, 2009 the following schedule shall apply:

Yrs. of Service as of July 1st of the Vacation Year	Length of Vacation	Basis for Vacation Pay
6 mo. but less than 1 yr.	1 week	40 hours
1 yr. but less than 3 yrs.	2 weeks	40 hours
3 yrs. but less than 5 yrs.	2 weeks	40 hours
5 yrs. but less than 10 yrs.	3 weeks	80 hours
10 yrs. but less than 15 yrs.	4 weeks	120 hours
15 yrs. but less than 20 yrs.	5 weeks	160 hours
20 yrs. but less than 25 yrs.	5 weeks	160 hours
25 yrs. and over	6 weeks	200 hours

- (b) (1) Employees may elect to work all time in excess of two (2) weeks rather than taking time off. In the event that an employee so elects, he shall receive only the amount of vacation pay to which he would otherwise be entitled and in addition pay for time so worked. However, it is agreed that the Company does not guarantee to provide work for such employees and the Company is not obligated to permit an employee to work in accordance with his election unless work is available for the employee and the employee is qualified to perform such work. Employees exercising this election must communicate their preference to the Company no later than the time of the announcement of the annual vacation period by making application to the Human Resources department.
- (2) All employees must take at least two (2) weeks of their vacation time, providing they are entitled as per 20.10 and have them scheduled no later than November 1st of the vacation year.

Employee's who have been on layoff in excess of two (2) weeks during the calendar year (with the exception of those on preferential layoff), shall have the option of declining their mandatory vacation entitlement equivalent to their amount of layoff time.

20.11 An employee with less than one year's service, provided he has worked the minimum hours required, will be paid on the basis of forty (40) hours, multiplied by his average straight time hourly rate.

20.12 The term "minimum hours" whenever used in this section shall mean a total of 1,300 hours worked during the vacation year.

20.13 For the purpose only of calculating "minimum hours" worked, hours paid for holidays not worked shall be considered as hours worked.

20.14 Where an employee has failed to work the minimum hours of a vacation year, he shall be entitled to 4% of wages earned for that year. For any employee who is discharged for just cause, he shall be entitled to 4% of wages earned for that year.

20.15 All time lost during the vacation year by a regular employee due to an occupational injury sustained during the course of his regular employment with the Company, and any time lost while in receipt of Weekly Sick Benefits, shall be credited as time worked for vacation pay calculation.

20.16 Employees who take vacation prior to the scheduled vacation period shall have the option of receiving their vacation pay (or a portion of it, if they so elect), the balance to be paid on the last pay before the vacation period.

20.17 Employees who take vacation during the vacation period, or after, shall receive their full vacation pay on the last pay prior to the vacation period. (In no case will full vacation pay be payable any later than the first day of August each year).

20.18 Notwithstanding any other provisions of this section, no employee shall receive less vacation time nor less vacation pay than that to which he would be entitled under The Employment Standards Act.

20.19 (a) When fewer than the regular number of employees in the job classification in a department or assigned area are required to work during the vacation period, employees having the greatest amount of seniority may indicate their preference as to whether they wish to work or to take a vacation. If the job is still open, it will be filled by the senior employees in the department who are qualified. If the job still remains open, it will be offered to the senior employees plant-wide as long as they are qualified to do the work.

(b) When jobs are available for the vacation period and regular employees normally performing the work are not available and senior qualified employees in the department

are not available, or for job openings which no regular employee normally performs, employees wishing to work during the vacation period may indicate their desire to do so to the Human Resources department on a form supplied by the Company. Such applications must be received not later than one week prior to the beginning of the announced plant shutdown. Employees will be selected on a seniority basis provided they are qualified to perform the available work. It is agreed that the Company does not guarantee to provide work for such employees and is not obligated to permit an employee to work unless work is available.

- c) In the event a regular employee does not have vacation entitlement or has exhausted his vacation entitlement prior to the annual vacation shutdown period, upon application he will be given preference to work the vacation shutdown period ahead of temporary employees, subject to the provisions outlined in Articles 20.19 (a) and (b) and providing he is qualified to do the work available.

Termination of Service

20.20 Any person whose employment terminates during the vacation year shall be paid vacation pay up to the date of termination, in accordance with his length of service, as outlined in this Article.

Article 21

Safety and Health

- 21.01 (a)** The Company and the Association will cooperate to the fullest possible extent towards the prevention of accidents and the promotion of safety and health of the employees.
- (b)** Employees will comply with all safety rules established by the Company from time to time, and the Association will cooperate fully in the enforcement of safety measures, good housekeeping and in the use of safety equipment supplied by the Company.
- (c)** Any employee who is disabled as a result of an industrial accident shall be paid for the balance of the day or shift on which he is injured.
- (d)** All employees will be provided with safety shoes. The Company will pay on the basis of one pair per year **up** to \$120.00 for each year of this contract.

Article 22

Rules of the Company

22.01 Management has the full right to make reasonable rules as circumstances indicate and to discharge employees for proper cause. The Association may process any claim of wrongful discharge through the Grievance Procedure. Rather than resort to a formal list of "Thou Shall Nots", the Company will apply the common sense test of good citizenship to the commission of any act

advanced as a reason for discharge or other disciplinary action.

22.02 For example, reporting for work under the influence of alcohol, or the use of alcohol, or gambling on Company property, fighting on Company property, theft of, or malicious damage to the property of the Company or of another employee, interfering with production, unreliability, repeated failure to observe regulations and similar conduct, are not acts of good citizenship and the parties agree will not be tolerated.

Article 23

Long Service Bonus

23.01 For the period of this Agreement, the Company will continue payment of a Long Service Bonus, which it voluntarily granted many years ago. The bonus is payable to employees who have completed twenty-five (25) years of service. This bonus shall hereafter be determined by adding the employee's total earnings during his last five (5) full calendar years of employment (after excluding calendar years in which the employee suffered loss of earnings due to illness, layoff, etc.) immediately prior to completion of the qualifying number of years, and dividing the total by five (5) and the resulting figure by four (4). Such bonus shall not exceed \$1,500.

23.02 Should an otherwise eligible employee resign from the Company, retire, be discharged, die, or for any reason terminate his employment with the Company during the term of this Agreement with at least twenty (20) years of Company service, but prior to receipt by him of his Long Service Bonus, he shall be paid a portion of such bonus as follows:

Number of Years of Company Service	Percentage of Full Bonus Payable
20	80%
21	84%
22	88%
23	92%
24	96%
25	100%

23.03 The calculations of the total amount of the full bonus before applying the appropriate percentage shall be made as described in paragraph **23.01**, except that his total earnings for the five (5) calendar years immediately prior to his termination shall be used as the basis of the calculation.

23.04 In the event of the subsequent re-employment of a person to whom a payment has been made pursuant to paragraph **23.02**, any subsequent payment made to him under this Article and any subsequent Long Service Bonus payable to him shall be reduced by the amount of such payment.

23.05 In the case of death, payment shall be made to the duly appointed legal representative of the employee if there is one, and if not, to the spouse, parents, children, or other relatives or dependents of such employee as the Company in its sole discretion may determine.

23.06 This Article shall not apply to any employee who has received a Long Service Bonus. The obligations of the Company under this Article shall be subject to any terms

or conditions as may be directed by governmental authority.

Article 24

Pension Plan

24.01 The Pension Plan will form part of this Agreement.

Article 25

Supplemental Unemployment Insurance Plan and Guaranteed Benefit Account Plan

25.01 The S.U.B. Plan and G.B.A. Plan will form part of this Agreement. There will be no contributions made to the SUB and GBA during the life of the contract.

Article 26

Group Insurance

26.01 (a) Following the completion of the probationary period, the Company will arrange through a carrier to provide a Benefit plan for eligible regular employees until their retirement and their eligible dependents for the following:

(1) Core Benefits:

The Company will pay for the premiums associated with providing a Core Benefit Plan consisting of the following:

- (i)** Basic Life Insurance (as described in Article 26.02(a);
- (ii)** Basic Accidental Death & Dismemberment Insurance (as described in Article 26.02(a)

- (iii) Weekly Indemnity Plan (as described in Article 26.03(a,b,c)
 - (iv) Extended Disability Plan (\$1,800/mo maximum 104 weeks with CPP offset)

- (2) Employee-Paid Optional Benefits:
The Company will arrange through a carrier to provide employees with the option, at their expense, to purchase the following additional benefits for themselves and/or eligible dependants:
 - (i) Optional Life Insurance (as described in Article 26.02(a)&(b);
 - (ii) Optional Accidental Death and Dismemberment (AD&D) Insurance;

- (3) A choice between the following two Healthcare options:
 - (i) Healthcare Option 1 consisting of:
 - (a) Healthcare Spending Account (HCSA) funded by the Company; and
 - (b) Basic Medical Plan.
 - Or

- (ii) Healthcare Option 2, on an employee co-share premium basis, consisting of:
 - (a) Comprehensive Medical Plan; and
 - (b) Comprehensive Dental Plan

- (b) Effective May 1, 2009, the Company will pay for Doctor's forms up to a maximum of \$35.00 when a receipt is tendered to the Company when such forms are required for the purposes of claiming for Weekly Indemnity Benefit, Extended Disability Benefit and Disability Pension.
- (c) Definition of dependant for all foregoing insurance plans and policies shall be as follows: an employee's spouse or an unmarried child of an employee. The child must be under 21 or, if attending a college or university full-time, under 25.

26.02 (a) Life insurance, which includes Accidental Death and Dismemberment, is provided for eligible regular employees following completion of the probationary period. The Company will provide twenty-five thousand dollars (\$25,000) coverage at no cost to the employee.

Optional Life Insurance:

Employees may purchase an additional thirty thousand (\$30,000) dollars coverage at their

expense. Optional life insurance is to be purchased in five thousand (\$5,000) dollar increments.

(b) The Company agrees to arrange through a carrier, optional employee paid life insurance as follows:

Spouse	\$10,000 (up to \$20,000 in \$1,000 increments)
Child	\$4,000 (up to \$8,000 in \$1,000 increments)

26.03 (a) The Weekly Indemnity Plan referred to in Article 26.01(a)(1) covering **all** regular employees will be increased in accordance with an earnings schedule to 66 2/3% of a straight time hourly rate, including cost-of-living but excluding shift premium or other premiums and no less than the current E.I. maximum benefit payment.

Effective May 1, 2009	Maximum \$500 per week
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(b) Waiting Period:

Illness	Five (5) calendar days
Accident	No waiting period
Admitted to Hospital	No waiting period
Exploratory Procedure	No waiting period

(c) Duration of Weekly Benefit

<u>Length of Service</u> <u>Benefits</u>	<u>Duration of</u>
3 mos but less than 1 yr	15 weeks
1 yr but less than 8 yrs	26 weeks
8 yrs and over	35 weeks

(d) Return to Work Following Illness:

If an employee returns to work after having received Weekly Sick Benefits for less than the maximum period for which he is eligible and is again absent within three (3) months from the date of his return to work for the same disability or one related to it, there is no waiting period before commencing to receive benefits for the remainder of the maximum period. However, if he is later disabled due to entirely different or unrelated causes and on the condition he has worked at least one (1) full day, he will be eligible for a new claim.

- (e) (i) Employees applying for or waiting for WSIB benefits or weekly sick benefits will receive payment from the Company on a weekly basis an amount equal to that to which he would receive on weekly sick pay. Employees applying and/or waiting for Extended Disability Benefit will receive from the Company on a monthly basis an amount equal to that to which he would normally receive on a monthly basis. This money will be paid for a maximum period of six (6) months. Upon receipt of any WSIB

benefits or weekly sick benefits, the employee will reimburse the Company to the extent that he may receive an amount in excess of the maximum amount he is entitled to under the Workers' Compensation Act for the period of his temporary disability. Medical certification of employee disability will be required. Employees applying for advance payments while waiting for WSIB benefits must apply for W.I. benefits no later than two (2) months after he begins to receive advance payments from the Company. Such employee shall continue to receive weekly payments by the Company while waiting for payments from the Weekly Indemnity carrier.

- (e)(ii) In the event WSIB legislation is introduced which requires the Company to pay the initial period of any WSIB claim and which also allows the Company the right to deny any such payment, the Company agrees it shall pay advance payments as per Article 26.03 (e)(i) to the claimant until the WSIB has denied the employee's claim. The duration of such payment shall not exceed six (6) months.
- (f) It is understood that if any increase in the Weekly Sick Benefit plan occurs because of a negotiated wage increase or by length

of service, that eligible employee shall be entitled to any higher level of weekly benefit.

- (g) An employee requested by the Company to submit to an assessment by a doctor or by an approved facility will be reimbursed by the Company for any expenses which he may incur (such as travel expenses, parking fees, loss of wages, etc.)

Retirees

26.04 (a) The Company will provide the following insurance coverage for retirees, employees retiring on or before January 1, 2008 and eligible dependants and for the spouse and eligible dependants of deceased employees and retirees.

In the case of deceased employees and their eligible dependants, the benefit coverage shall be provided so long as they are not otherwise covered for equivalent benefits and further, providing that they meet the eligibility requirements of each plan. The persons entitled to such benefits shall be only spouses and eligible dependents of employees and retirees at the time of their death. Further, such persons must satisfy the definitions of spouse and eligible dependents under the applicable plan (i.e. as defined in the applicable group insurance contracts.)

- (1) Semi-private hospital accommodation
(eliminated January 1, 2010)
- (2) Extended Health Care
 - Prescription Drug Plan
 - Vision Care (Basic) \$180 every 24 months
 - Nursing Home Care Plan - extended care service - applicable to employees retiring on or before January 1, 2007
 - Nursing care for spouses of deceased employees and retirees who are retired or deceased on or after April 1, 1980.
 - Hearing Care Plan (Basic) - \$400 lifetime benefit
 - Out-of-Province - Emergency Care
- (3) Dental Plan
 - (equivalent to Blue Cross #9 current ODA)
- (4) Supplementary Health Care
 - \$100 annual deductible and \$100,000 lifetime maximum

Effective January 1, 2010, the benefit coverage listed above will be on the following co-share premium basis:

Retirees and surviving spouses up to age 65:

2010:	\$50 per month
2011:	\$55 per month
2012:	\$60 per month

Retirees and surviving spouses at age 65 and older:

2010:	\$40 per month
2011:	\$45 per month
2012:	\$50 per month

- (b) In lieu of the benefit plan described in 26.04(a), employees retiring after January 1, 2008 will be eligible for a retiree benefit plan consisting of a \$2,400 annual healthcare spending account (HCSA) with the same amount being provided to the retiree's surviving spouse.

Group Insurance Coverage While on Layoff

26.05 In the event of a layoff (with the exception of a thirty-six (36) month layoff) of a regular employee, group insurance premiums for benefits, exclusive of Weekly Indemnity, shall be paid for by the Company for the first two (2) months of layoff.

26.06 In the event of a layoff (with the exception of a thirty-six (36) month layoff) of a regular employee with fifteen (15) years' seniority or more, group insurance premiums for benefits referred to in Article 26.05 shall be paid for by the Company for the first two (2) months of layoff. These benefits shall be paid for a further four (4) months from the G.B.A. fund. If the G.B.A. fund is under 4%, the provisions of 26.05 will apply to this class of employees.

Note: After September 1, 2006 benefits will continue as described in Articles 26.05 or 26.06 provided the employee pays his/her share of related premiums.

Industrial Accident

26.07 A regular employee receiving Workers' Compensation as a result of an industrial accident sustained while at work at TRW Canada Limited, St. Catharines, and who is subsequently laid off, will continue to receive fully paid group insurance coverage, excluding the weekly indemnity, for himself and dependents during his period of disability.

Article 27

Administration - Group Insurance

27.01 All expenses incurred by the Company to carry out the Plans outlined in Article 26 shall be borne by the Company, and the Company shall determine all administrative procedures which may be required to carry out said Plans. The Company has the sole right to select the carriers. It may consolidate insurances with one or more carriers of its selection or change any carrier at any time. The Company will not introduce any amendments, which might decrease the benefits payable under such Plans unless such action is by mutual agreement between the Company and the Association.

27.02 Any disputes relating to the application administration and/or interpretation of the plans outlined in Article 26 shall be subject to the grievance and arbitration procedure.

Article 28

Apprenticeship

Qualifications of an Apprentice

28.01 (a) An apprentice shall be a person, eighteen (18) years of age or over, apprenticed under

agreement with the Company being registered with the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.

- (b) Apprentices shall have education to Grade 12 or equivalent (related training or extension courses).
- (c) An apprentice shall be physically fit and show interest, skill and aptitude for the trade.
- (d) All apprentice applicants shall be graded on a points and testing system set-up and regulated by the Apprenticeship Committee. Plant seniority will be used in the selection process only in the case of a tie of total points between applicants. The highest points applicant(s) will be interviewed by the Apprenticeship Committee. The Committee will make their recommendation(s) for the selection of the apprentice(s).

Apprenticeship Term

- 28.02 (a)** The apprenticeship term shall be the hours as prescribed for the trade by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities, which shall include a probationary period of three (3) months.
- (b) Credit in hours may be granted at the discretion of the Apprenticeship Committee to applicants with previous training or experience, subject to the review and approval

of the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.

- (c) The final period of the apprenticeship term may be extended at the same rate of pay until the prescribed training is completed in a manner satisfactory to the Company and the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.
- (d) Where an apprentice is required by government regulations to pass final examinations in order to qualify as a journeyman, and where, on failing such examinations, he will no longer be permitted registration as an apprentice by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.
- (e) In the above case, the employee will be retained in a job in the bargaining unit to which his seniority entitles him.
- (f) Beginning May 1, 1971, for any new hire or transfer into any of the apprenticeship classifications, when an apprentice completes his apprenticeship, his departmental seniority will commence from the date he started his apprenticeship. He will retain his plant seniority for all other purposes.

Apprenticeship Training

- 28.03 (a)** Apprentices shall be trained in accordance with the prepared schedules of training in shop work and related subjects as

approved by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.

- (b) Under no circumstances shall there be more apprentices than active journeymen in any classification.

Apprenticeship Contract

28.04 Every apprentice shall enter into a written agreement with the Company to serve the apprenticeship term. The contract shall be signed by the Company, the apprentice, and shall be transferable to another employer only by mutual consent of all parties thereto. The contract shall be registered with the Apprenticeship Branch of the Ministry of Training, Colleges and Universities and shall form part of these standards. (Subject to any changes made by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities).

Apprenticeship Wages

- 28.05 (a)** The starting rate for all apprentices will be 60% of the top rate for the trade. Apprentices will receive equal increases at the completion of every 500 hours until he reaches the top rate of the trade.
- (b) For the purpose of calculating vacation pay, the apprentice shall receive the average pay of the hours he normally would have worked in his previous job in Schedule II or the average rate he received in his apprenticeship, whichever is greater.

Apprenticeship Training in Related Subjects

28.06 Apprentices shall regularly attend day or evening classes in subjects related to the trade. They shall also be required to attend mandatory training courses which may subsequently be provided for their study of the trade as prescribed by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities. Time spent by an apprentice in mandatory classroom instruction will be paid for by the Company at his regular straight time hourly rate for all time lost from his regular work schedule as a result of such mandatory classroom instruction.

Supervision of Apprentices

28.07 A Company Committee member or supervisor conversant with the schedules of training and work progress shall be appointed to supervise and regulate the training and progress of each apprentice and to provide periodic reports thereon to the Apprenticeship Committee.

Certificate of Apprenticeship

28.08 A certificate of apprenticeship shall be made on a form supplied by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities. On the satisfactory completion of the prescribed apprenticeship periods and the passing of all final examinations as may be required, a diploma will be issued by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities.

Continuity of Employment

28.09 (a) When conditions of business do not permit continuity of employment, the Company may shorten hours or temporarily suspend an

apprentice after notice has been given to the Apprenticeship Branch of the Ministry of Training, Colleges and Universities as well as the president of the Association.

1. Any seniority accumulated by an employee after he enters into his apprenticeship shall not be recognized until he has successfully completed his apprenticeship program.
 2. For the purpose of service related benefits, the seniority of the apprentice shall be deemed to be from his last date of hire.
- (b) If the apprentice fails to make satisfactory progress at learning his trade, after reasonable warning, this may result in his apprenticeship being terminated.
 - (c) The number of apprentices employed shall be governed by the number of tradesmen. The ratio shall be determined by the Apprenticeship Committee, depending on the trade under consideration.
 - (d) An apprentice in learning his trade shall complete a minimum of the hours prescribed for the trade. The Company, as well as the employee, will keep a record of time spent on all phases of the Apprenticeship Program.
 - (e) Each apprentice classification in the Apprenticeship Program shall be a separate non-interchangeable occupational group.

Apprenticeship Committee

28.10 An Apprenticeship Committee comprising equal representation of Management and Association shall be appointed. The Committee will hear and adjust all matters regarding apprentice agreements, make recommendations on disciplinary action where necessary, give reports from time to time, and technical advice on the training program. There will be monthly visits to apprentices on the job with Supervision and Apprenticeship committee members.

Hours of Work

28.11 An apprentice shall be required to work shift work. Overtime worked by an apprentice shall reduce the period of apprenticeship by the number of straight time hours actually worked.

28.12 An apprentice may be temporarily suspended or his apprenticeship contract cancelled for just cause.

Notification of such action shall be forwarded to the Apprenticeship Branch of the Ministry of Training, Colleges and Universities, as well as the President of the Association.

Related Training and Tool Allowance

28.13 (a) When an apprentice has successfully completed a course in related training that the Company insists upon, he will be reimbursed 100% of the tuition fee, and 75% of all other courses he takes, successfully completes, and are approved in advance by the Company.

- (b) In the event that the apprentice is on shift work, he will be allowed time off to attend his mandatory related course.

- (c) The Company will be required to pay \$600 at the completion of half the apprenticeship term, and an additional \$600 once he becomes a journeyman, in accordance with Letter #33 for the purchase of tools.

28.14 Wages paid to apprentices when at school will be mutually agreed on by the Company and the T.P.E.A. Apprenticeship Committee.

Article 29

Other Agreements

29.01 Production operators may be assisted by set-up men wherever necessary.

29.02 Except in cases of an extreme emergency nature, no employee outside of the bargaining unit shall perform work normally performed by employees in the bargaining unit. Employees outside the bargaining unit may, with the presence of an operator, assist in problem solving. In the event the Company violates this Article, the Company shall pay for the time involved at a minimum of time and a half (or the appropriate premium rate) to the low overtime employee in the job classification on the shift in the department the violation occurred. All grievances shall be settled on the basis of a minimum payment of one (1) hour's pay at time and one half (or the appropriate premium rate) for each violation. Notwithstanding the above payment settlement, the Association may seek and

receive a declaration from an arbitrator if, in the Association's opinion, the Company continually violates this Article.

29.03 The Company agrees to pay 100% of the cost to supply coveralls or shop coats to all employees.

Article 30

Duration of Agreement

30.01 (a) This Agreement shall be for a period of three (3) years commencing on the 1st day of May, 2009 and ending on the 30th day of April, 2012 and thereafter from year to year unless either party gives notice in writing to the other party within a period of ninety (90) days before the expiry date thereof of that intention to bargain with a view to the renewal, with or without modifications, of the Agreement then in operation or the making of a new Agreement.

- (b)** The notice of amendment shall contain, as far as possible, a list of all changes proposed.
- (c)** In the event of notice being given, negotiations with the view to arranging a new Agreement shall begin within fifteen (15) days.

Article 31

Early Retirement Option

31.01 In the event that the Company gives the Association a notice of plant closure, any employee who is within

early retirement age will be allowed to retire before the final plant closing date, subject to applicable legislation.

IN WITNESS WHEREOF the parties have signed this Agreement at St. Catharines, Ontario, this 31st day of July, 2009

TRW CANADA LIMITED,
LINKAGE & SUSPENSION DIVISION

<i>D.Boc</i>	<i>K.Teeuwsen</i>
<i>J.Andrews</i>	<i>D.VanderVaart</i>

THOMPSON PRODUCTS
EMPLOYEES' ASSOCIATION

<i>B.Benard</i>	<i>E.Defilippis</i>	<i>R.Deguire</i>
<i>D.Wilson</i>	<i>W.Peachey</i>	<i>H.Clarkson</i>
<i>D.Gretzinger</i>	<i>F.Viscek</i>	<i>T.Bidgood</i>
<i>B.Zamprogna</i>	<i>T.Peacock</i>	<i>T.Cutler</i>

APPENDIX I
Schedule of Job Classifications and Job Rates for Schedule I
Skilled Trades

Job Classification	Group No	Rate/Effective May 1/09 when working a regularly scheduled work week	Rate/Effective May 1/09 when working a regularly scheduled reduced work week
Precision Inspector	(6)	28.901	30.401
Toolmaker Millwright Machinist - grandfathered Electrician Tool & Die Welder Maintenance Welder - grandfathered Tool Hardener	(5)	28.343	29.843
Stationary Engineer	(4)	28.153	29.653
Tool Cutter Grinder - grandfathered	(3)	28.036	29.536

** These wage reductions will not take effect until the plants return to a regular five (5) day work week. In the event the plants return to a regularly scheduled reduced work week within six months of returning to a regular five (5) day work week, with the exception of plant shutdowns, the wage rates shall be adjusted to the rates as of April 30, 2009 until the plants return to a regularly scheduled five (5) day work week again.

APPENDIX II

Schedule of Job Classifications and Job Rates for Schedule II

Unskilled

Job Classification	Group No	Rate/Effective May 1/09 when working a regularly scheduled work week	Rate/Effective May 1/09 when working a regularly scheduled reduced work week
Precision Cold Form Set-up Instructor	(17)	26.496	28.996
Precision Cold Form Technician	(16)	25.312	27.812
Tool Proveout/Set Up Instructor	(15)	24.775	27.275
Forge Technician Paint Complex Tech. Heat Treat Operator Magnaflux Operator Eumoco Technician	(14)	24.688	27.188
Tocco Set Up Inspector I Toolsetter	(13)	24.128	26.628
Work Centre Tech I Inspector II	(11)	23.937	26.437
Production Press Operator Eddy Current Wheelabrator Tumbblast Lubrication Service Metal-working Fluid Technician	(10)	23.837	26.337
Work Centre Tech II	(9)	23.666	26.166
Stockroom Attendant Inspector III Material Handler	(8)	23.571	26.071
Lift Truck Operator Machine Tank Cleaner	(6)	23.414	25.914
General Labour Office Cleaner	(4)	23.263	25.763

** These wage reductions will not take effect until the plants return to a regular five (5) day work week. In the event the plants return to a regularly scheduled reduced work week within **six** months of returning to a regular five (5) day work week, with the exception of plant shutdowns, the wage rates shall be adjusted to the rates as **of** April 30, 2009 until the plants return to a regularly scheduled five (5) day work week again.

LETTERS OF INTENT AND STATEMENTS OF POLICY

**Mr. Ben Benard, President
Thompson Products Employees' Association
St. Catharines, Ontario**

Dear Ben:

The following letters were agreed to at the recent collective bargaining negotiations. This shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure.

LETTER #1 TRANSFER OF WORK

During recent collective bargaining negotiations between the Association and the Company, the Association expressed concern over the transfer of work out of the Company's plant in St. Catharines to new facilities or operations opened by the Company, or to other facilities or operations owned and operated by TRW Canada Limited, St. Catharines.

The Company is sincerely committed to providing maximum employment opportunities for its St. Catharines employees and as always will continue to strive toward this goal. The Company's policy has not changed with respect to this commitment.

In the event of any transfer of work out of the Company's St. Catharines Plant, the Company agrees to advise the Association promptly and to institute negotiations promptly for the purpose of consummating an agreement

with respect to the move as it may affect employees within the bargaining unit.

In the event a transfer of work out of the Company's plant results in a layoff of Linkage and Suspension Division St. Catharines employees, the Company will give preference over new hires at the plant to which work is transferred to the application of employees of the St. Catharines Plant.

Employees applying for skilled trades must have the required licenses.

Other rights and privileges of affected employees will be determined by negotiations, except that question of representation if any, will be determined by appropriate Government authority.

LETTER #2 ASSOCIATION REPRESENTATIVE TIME OFF THE JOB

During recent collective bargaining negotiations between the Association and the Company, the question of the Company's practice with regard to time off the job and all rights by Association Representatives was discussed.

In addition to the provisions contained in Article 3, the parties agree as follows: subject to (f) there shall be no docking of pay and no explanation required for any time used by representatives in any regular work week if the Association's total charged hours, in a regular work week do not exceed the following:

# Of Bargaining Unit Employees	=	Allowable Association Business hours per week
600 or greater	=	160 hours (max)
570 – 599	=	155 hours
540 – 569	=	147 hours
510 – 539	=	143 hours
470 – 509	=	135 hours
440 – 469	=	128 hours
410 – 439	=	125 hours
409 or less	=	120 hours (min)

- b) The above amount of allowable hours shall not include any hours charged for the President of the Association nor any hours charged by the Association Bargaining Committee during Negotiations.
- c) With exception of the President's hours, time spent in arbitration and/or mediation will count toward the above mentioned hours. However, such hours will be credited with an additional 16 hours per arbitration and/or mediation day in any given week.
- d) Human Resources shall inform the Association on Monday of each week on the number of active employees including employees on vacation, holidays, weekly indemnity or Worker's Compensation. This number shall then form the basis for the amount of allowable Association hours for that week.
- e) The position of the President of the Association

shall be paid at the rate of the highest job classification in Schedule I plus C.O.L.A. recognized in the Collective Labour Agreement.

- f) In the event there is a dispute between the Company and the Association concerning the amount of Association hours charged under item (a) & (c) above, the Human Resources Manager will contact the President of the Association to inform him of the number of hours not used or the number of hours of possible overpayment. In the event the Association has not used the full amount of hours allotted as outlined above, the remaining hours will be added to the Association's allowable Association business hours for the following week. Pyramiding of hours will be for only one (1) week at any given time. In the event the Association has exceeded the allowable hours charged under item (a) and (c) above, the Human Resources Manager will notify the Association President of any possible overpayment. In turn, the Association shall deduct said hours of overpayment the following week. This will be referred as an hours recovery week. In the event there is still an overpayment in the week following the recovery week, the onus of Overpayment is on the Association President to indicate to the Human Resources Manager which representative shall be docked pay in order for the Company to recover any overpayment.
- g) The President shall have authority to allocate steady day shift for three (3) representatives.

- h) Representatives shall have the option of day shift on Friday or the last scheduled workday of each week.
- i) Representatives shall not be required to work in excess of eight (8) hours per day and forty (40) hours per week with the combination of Association business hours and his regular job duties. However, representatives may bank excess hours during the week and shall be allowed to leave work on the completion of forty (40) hours.
- j) All practices with regard to the President of the Association's hours of work, overtime agreement and benefits shall continue so long as the collective agreement continues to operate.

LETTER #3 TEMPORARY TRANSFERS (Outside of the Employee's Department)

During recent collective bargaining negotiations between the Association and the Company, a question arose in regard to Article 11 (Transfers) in the Collective Labour Agreement.

Pursuant to the Association's request, the Company indicated that it was its intention with respect to the administration of temporary transfers that wherever practical the employee with the least seniority in the department on the shift will be transferred out of the department.

LETTER #4 TERMS OF DISCIPLINE

During recent collective bargaining negotiations between the Association and the Company, the question of Notices of Disciplinary Action was discussed as follows:

1. Any penalty warning or penalty suspension given to an employee shall be given in writing.
2. In any case where a period of one (1) year for absenteeism related reasons and six (6) months for other reasons has elapsed since an employee last received a penalty warning or a penalty suspension for three (3) working days or less, all previous penalty warnings and penalty suspension of three (3) working days or less will be removed from the employee's record and shall not be taken into consideration by the Company in deciding upon the appropriate disciplinary action with respect to subsequent incidents.
3. In any case where a period of two (2) years for absenteeism related reasons and twelve (12) months for other reasons has elapsed since an employee last received a penalty suspension for more than three (3) working days, all previous penalty suspensions for more than three (3) working days will be removed from the employee's record and shall not be taken into consideration by the Company in deciding upon appropriate disciplinary action with respect to subsequent incidents.

LETTER #5 PENSION AND S.U.B. PLAN

During recent collective bargaining negotiations, the Company indicated that it would not, without the

agreement of the Association, amend, modify, suspend or terminate the Pension Plan or the Supplemental Unemployment Benefit Plan provided for in the Collective Labour Agreement so as to deprive any employee of any benefits to which he is entitled in accordance with the provisions of the Plan Documents so long as the Collective Labour Agreement continues to operate. This undertaking shall not apply to any amendment, modification, suspension or termination required to ensure the continued registration of the Plan under the Income Tax Act or to fulfill any requirements specified by the Pension Commission for Ontario or the Unemployment Insurance Commission.

LETTER #6 COLA FOLD-IN FOR VACATION IN 2006

During negotiations, the Company and the Association discussed the COLA fold-in as it pertains to vacation payment in 2006.

For vacation payment calculation, the Company agrees not to include COLA in the average base rate as specified in Articles 20.10 (a) and pursuant to 16.01 (a).

The COLA for the 2006 vacation payment shall be based on the COLA in effect on June 1, 2006.

LETTER #7 S.U.B. AND G.B.A. • HEALTH AND MEDICAL INSURANCE PREMIUMS

This is to confirm our mutual understanding that if in the event an employee on layoff and in receipt of S.U.B. or G.B.A. benefits returns to work for at least one (1) day during any given calendar month, group insurance premiums paid for on behalf of such employee(s) for that

month from the S.U.B. and G.B.A. Trust Funds in accordance with the terms of the S.U.B. and G.B.A. Plan Documents will be credited to the respective fund by the Company.

LETTER #8 CONTRACTING OUT WORK

It is the policy of the Company not to contract out work in Schedule I or II when it has the bargaining unit employees, skill, equipment and facilities to do such work. When work is available the Company further agrees that displaced or laid off employees shall be recalled regardless of the time involved to do such work.

There may however be times when the Company may feel obligated to contract certain work to outside contractors, and the Company will inform the Association President or his alternate accordingly beforehand. The Association can rest assured that the Company is basically interested in maximum employment for all our people.

LETTER #9 CALL-IN FOR START-UP (not to be used for regular work assignment)

Departments Affected:

1208, 3860, 1513, 4883, 5287, 5388

1. Start-up will be confined to the first regular shift of the work week.
2. Employees with the low overtime hours in the job classification and department will be allowed to report for a period of four (4) hours or less in advance of their regular scheduled shift for start-up purposes only.

LETTER #10 HEAT LEAVE PASSES

During recent collective bargaining negotiations between the Company and the Association, the matter of heat leave passes was discussed.

The Company agrees to meet with the Association prior to June 1 of each year to discuss the procedures and criteria operating supervision will use relative to issuing heat leave passes.

LETTER #11 EXCHANGE OF SHIFTS

During the course of current collective bargaining negotiations, the matter of employees mutually agreeing to exchange shifts for straight time hours was discussed.

The Company will permit regular seniority employees to exchange shifts in their home department. Employees exchanging shifts must be qualified and able to perform the job of the employee involved in their exchange without training.

Prior to employees mutually agreeing to change shifts, they must advise their Production Coordinator of their intention to do so and the name of the employee involved in the exchange.

LETTER #12 KEY JOB CLASSIFICATIONS

During recent collective bargaining negotiations between the Association and the Company, the concept of "back-up" classifications for certain key jobs with special training requirements was discussed.

This is to confirm that we will establish a "back-up" for the following classifications:

- Tool Proveout and Set-Up Instructor (regular job posting; preference shall be given to Forge Technicians in the respective departments by seniority)
- Heat Treat Operator
- Lubrication Service
- Tocco Set-Up
- Inspector II
- Paint Complex Technician
- Metal-working Fluid Technician

The amount of training required will depend upon the related knowledge and aptitude that the successful candidate brings into the job, with the minimum training period being not less than ten (10) consecutive working days up to a maximum of twenty (20) consecutive working days.

In the event of an increase of operations where the established key job back-up classification is utilized for a period exceeding thirty (30) consecutive working days, the back-up or first assigned back-up to the job classification where applicable, will become full-time in that classification. This time limit can be extended by mutual agreement between the Company and the Association.

When posting for the back-up position, it is agreed the number of back-up employees shall not exceed the number of regular full-time employees.

Employees who hold a back-up position may apply for and receive another job posting and still retain their back-

up position if they so desire. Employees who wish to relinquish their back-up rights may do so by signing a waiver form in Human Resources at the time they sign for their new job posting.

When a regular job becomes available, the first employee accepted for a back-up job will automatically go to the job when the job opens up, regardless of seniority.

No additional back-up positions shall be created unless mutually agreed to by the Company and the Association.

LETTER #14 SAFETY AND HEALTH TRAINING

During recent collective bargaining negotiations between the Association and the Company, safety and health training was discussed.

During the term of this Agreement the Company will expand its Safety Program to provide safety education and training (through the use of films, safety hazard checklists, air sampling and noise level sampling through an outside service or the purchase of our own equipment, etc.) concentrating on all areas where safety is a problem with the goal of reducing accidents and eliminating unsafe work practices and conditions in the workplace.

LETTER #15 PRODUCTION STANDARD

During negotiations, the Company and the Association discussed production standard as it relates to all job classifications.

- (1) When new standards are introduced after a proper time study has been performed, the employee shall have six (6) weeks from the

date of the first meeting with the employee to achieve this standard.

- (2) Failure to meet the standard on a consistent basis shall give the Company the right to remove the employee from the job and place him/her on a job in accordance with Article 10 of the Collective Labour Agreement.
- (3) The above does not overrule the time limits specified in any qualification clauses of the Collective Labour Agreement. This is strictly for use in the event the employee does not meet the standards for the job.
- (4) The Company reserves the right to extend the above time limits at its own discretion.
- (5) Nothing in this agreement shall prohibit the Association from grieving and/or arbitrating any standards imposed by the Company.
- (6) The Company reserves its right to impose discipline in the appropriate circumstances subject to an employee's right to grieve in accordance with the provisions of the Collective Labour Agreement, i.e. starting and stopping times, sabotage, etc.

LETTER #16 PRODUCTIVITY IMPROVEMENTS
During recent collective bargaining negotiations, the issue of productivity was discussed and it was agreed that, within the terms of the Agreement, the Company and the

Association would work cooperatively toward productivity and efficiency improvements to promote job security in the St. Catharines operation.

LETTER #17 RETURN TO WORK FROM EXTENDED LAYOFF

During recent collective bargaining negotiations between the Association and the Company, the subject of extended layoff was discussed.

It was agreed that if for any reason an employee on extended layoff is disqualified from receiving Employment Insurance benefits (E.I.), he shall be allowed to return to work pursuant to any articles in the Collective Labour Agreement and subject to his seniority.

LETTER #18 ONE DAY VACATION

During recent Collective Bargaining Negotiations, the Association and the Company discussed the issue of granting one or more day's vacation to employees.

It was agreed that the Company shall allow employees to take one or more days' vacation, either individually or in succession, using a maximum of ten (10) days of their vacation entitlement, providing the employee gives one full weeks notice to the Production Coordinator of the request. Notwithstanding the requirement of one full week's notice, all employees shall be allowed to use two (2) of their ten (10) day entitlement with a minimum of twenty-four (24) hours' notice.

No employee shall be allowed more than ten (10) days in succession of their ten (10) day maximum, (e.g. Monday to Friday, Thursday to Wednesday).

The Company will exercise all reasonable means, including overtime, to permit employees to exercise the provisions of this letter.

Both parties understand and agree that there may be times when not all vacation requests may be granted for an employee(s). In the event that the Company must limit the number of employees scheduling vacation for the same day(s), the employee(s) that made the request first will be given preference for the vacation day(s).

When an employee requests vacation using the provisions outlined above, he shall be required to sign a request form indicating he is using his individual days of vacation entitlement.

LETTER #20 ORTHOPEDIC SAFETY SHOES

This is to confirm that employees requiring orthopaedic alterations to their safety shoes and upon approval by the Company's medical department shall be reimbursed fully by the Company.

LETTER #21 DOCTOR'S FORMS

During recent collective bargaining negotiations between the Association and the Company, the subject of payment of Doctor's forms was discussed.

It was agreed that when the Health Benefits Carrier or the Company requests an employee to be sent for an examination for an assessment or a second medical opinion that all costs for Doctor's forms shall be borne by the Company.

LETTER #22 PAID LUNCH DURING VACATION

This is to confirm that employees required to work during the annual two week vacation shutdown period will be entitled to a paid lunch break during that period.

LETTER #23 SEVERANCE PAY PLAN

During negotiations the Company and the Association discussed the issue of severance pay. The following was agreed to:

1. Severance pay will be offered to any employee with five (5) or more years of seniority who is permanently laid off, during the term of this collective agreement, as a direct result of a permanent closure of either its St. Catharines' plants if no other work is available within either plant.
2. Eligible employees will have their normal Group Insurance benefits pursuant to the Collective Labour Agreement.
3. Any employee electing the severance package will cease to be eligible for any S.U.B. benefits beyond their election date.
4. Payments of this severance package shall be in addition to the employee's entitlement under the Employment Standards Act and shall follow the same eligibility regulations.
5. This closure/severance package is not applicable in cases precipitated by business lost or

transferred due to any labour dispute in the St. Catharines plants.

6. Acceptance of any severance pay package shall result in immediate loss of seniority and termination of employment.
7. Severance Pay Plan shall be under the following schedule:

<u>Years of Seniority</u>	<u>Additional</u>
5 but less than 10	\$3,300
10 but less than 15	\$4,500
15 but less than 20	\$5,700
20 but less than 26	\$6,900
26 and over	\$8,700

LETTER #24 RETIREE LIFE INSURANCE

As discussed in recent collective bargaining negotiations, with regard to life insurance for retirees, this is to confirm that retirees are entitled to continue 25% of their existing life insurance coverage to a maximum of \$7,500 Company paid. This letter will become null and void effective January 1, 2010.

LETTER #25 DISABILITY DEFINITION FOR WEEKLY INDEMNITY (W.I.) AND EXTENDED DISABILITY

Totally disabled means that the member has a medically determinable physical or mental impairment due to injury or disease, which prevents him from performing his regular occupation subject to his seniority at Linkage & Suspension Division, St. Catharines.

This does not prevent the Company from placing disabled employees on modified work or temporary transfer providing he is qualified to perform the work.

LETTER #26 INSPECTION ACTIVITIES

The purpose of this memo is to confirm that the function of Proveout Inspection currently has and shall maintain first rights to proveout inspection activities and to inspection activities related to the preparation of ISIR samples that they are capable of performing and are physically available to perform.

As in the past and as in current practice, some activities related to proveout and to ISIR samples will continue to be performed by Quality Engineers, Process Engineers and Engineering students working in concert with proveout inspectors. The use of salaried personnel however in no way degrades from the proveout inspectors' "first rights" and if required overtime rights to the aforementioned jobs.

LETTER #27 LIFT TRUCK OPERATIONS IN PLANT II

During recent collective bargaining negotiations, the Association and the Company agreed that pursuant to item 6 of the Paint Complex Technician job duties that the job shall include all material handling as defined in the schedule, except that at no time will the Paint Complex Technician be allowed to operate a lift truck to perform such material handling duties for other work in Plant 2.

LETTER #28 PAINT COMPLEX TECHNICIAN

During recent collective bargaining negotiations, the Association and the Company agreed that the Paint

Complex Technician shall have the right to perform the duties of the Lubrication Service job classification insofar as it relates to the E-Coat Paint Complex, pursuant to the Supplemental Agreement for Letters of Understanding page 113, item number 7.

**LETTER #30 PRECISION COLD FORM
TECHNICIAN**

During recent collective bargaining negotiations, the Association and the Company agreed that the Precision Cold Form Technician in Dept. 2237 and Dept. 1817 shall be responsible for all lubrication and to maintain oil levels for their specific operations during the week and on the weekends.

LETTER #31 EXTENDED LAYOFF CYCLE

During recent collective bargaining negotiations, it was agreed by the Association and the Company that for the purposes of exercising extended layoff pursuant to Article 10.11 of the Collective Labour Agreement that as long as there are employees on extended layoff, the layoff cycle shall not be considered completed.

The extended layoff cycle shall be considered complete when all employees in the job classification on extended layoff have returned to work.

It is also agreed that no extended layoff cycle will be started prior to sixty (60) days from the start of any indefinite layoff in the job classification in the department.

LETTER #32 HEAT TREAT OPERATORS

A meeting was held on August 29, 1990. The Association and the Company discussed the job classification of the Heat Treat Operator and agreed on the following:

1. Whenever possible during the regular work week, twelve (12) hour shifts will be utilized to cover any short term absences of Heat Treat employees.
2. Heat Treat Operators are responsible for the quality checks of products and running all equipment in the heat treat process as required.
3. Whenever Heat Treat Operators are unable to fill the required shift on a short term basis, Blast Cleaning Operators may be required to perform the job.
4. It is understood the concept of the back-up system will continue to be used pursuant to letter #12, p. 95 of the Collective Labour Agreement.

LETTER #33 COMPLETION OF APPRENTICESHIP

The Company and the Association agree that the following conditions apply to apprentices:

On completion of all apprenticeship contract hours, the apprentice must write and successfully complete the certificate of qualification examination(s) in his trade as prescribed by the Apprenticeship Branch of the Ministry of Training, Colleges and Universities. The apprentice shall have sixty (60) days to write the examinations. If the examination(s) is not available to be written within the

sixty (60) days of apprenticeship contract completion, he must apply for the next available date to write the examination.

It is understood that the apprentice shall return to his previous job classification if he refuses to write the examination(s) or if he is unsuccessful in passing the examination(s) within the sixty (60) days of the apprenticeship contract completion.

If the apprentice is returned to his previous job classification under the reasons stated above and subsequently writes and passes the examination(s), he shall only be allowed to return to his trade through the next job posting after the date of his Certificate of Qualifications as a journeyman. In this circumstance, his departmental/classification seniority shall be the date he signed the job posting.

Upon successful completion of all apprenticeship contract hours and schooling, the apprentice will be recognized in the job classification for his trade and will obtain skilled trades seniority as of the start date of their apprenticeship. However, the apprentice will not be considered a journeyman in his trade until successful completion of all apprenticeship contract hours, schooling, and Certificate of Qualification.

LETTER #34 WORK ON PREFERRED EQUIPMENT (DEFT.4580)

The Company shall endeavor, whenever possible, to make every reasonable effort to provide employees by seniority the opportunity to work on preferred equipment in Dept. 4580.

LETTER #35 PREFERENCE OF SHIFT MAINTENANCE

The Company and the Association agree that maintenance employees shall be given the preference of day-shift under the following circumstances:

1. When day shifts become available because of vacation, sickness (providing there is 16 hours' notice) leave of absence or project work, the employee(s) in the job classification on 3-11 shall have the opportunity to work the day shifts. The senior employee from the department will be offered the day shift opportunity for openings of one week or more.
2. Preference of shift shall continue on weekends pursuant to overtime informal guidelines. Employees will be given preference of shift on weekend overtime in their job classification prior to allowing any temporary outside workers to perform the work. Failure to comply with this agreement on a weekend overtime day shall result in the Company paying the affected employee(s) eight (8) hours' pay at the appropriate premium rate for each day the violation occurred. The eight (8) hours' pay shall be paid to the affected employee(s) over and above any wages he may have received for working on a non-preferred shift the day the violation occurred.
3. Outside contractors will be placed on any available shift after the maintenance employee in the job classification has had the opportunity to work the

available day shift pursuant to #1 above. In the event an outside contractor is required to work on a job not normally performed by TRW Maintenance personnel, the Maintenance Manager or his designate and the TPEA Maintenance representative shall agree that the work is not normally performed by TRW Maintenance Personnel, prior to outside contractors coming in on days.

4. Emergency work for three (3) weeks or less for the Forge presses, two (2) weeks or less for the Erie presses and Upsetters, and one (1) week or less for other emergency work is excluded from preference of day shift, as well as warranty work.
5. The Company agrees to place five (5) employees on steady days as follows and as long as it is feasibly possible:
 - 2 Millwrights
 - 3 Electricians (one of them being for Instrumentation)
6. There will be no irregular shift change pursuant to 14.10 for a voluntary shift change regarding this letter.

LETTER #36 LIFT TRUCK & SCOOTER REPAIRS

It is agreed that one (1) employee from any Lift Truck outside contractor, shall be allowed to perform, in-plant, all repairs and all oil and lubrication service on leased lift trucks and scooters, to a total of two (2) separate eight (8) hour shifts per week, in addition to any emergency work. Any minor maintenance may be performed on-site by

TRW Canada Limited maintenance personnel only at the Company's option.

LETTER #37 JOB POSTINGS

During negotiations the subject of job postings was discussed and both parties have agreed to the following conditions:

1. All vacant jobs shall be posted as per Article 11 of the Collective Agreement.
2. The successful employee(s) will then sign for the job immediately and at that time it will become his job classification and department.
3. If management requires that the successful employee(s) remain on his former job for absenteeism, vacation or training, they may, if they so desire, temporarily transfer him back to his former job for a period of up to four **(4)**weeks.
4. Extensions to this four **(4)**week limitation may be added providing that all lost overtime opportunities in the new job classification are paid to the successful employee.
5. Overtime during the regular work week shall not be paid because of work created by the absence of the employee posting into the job classification.
6. All lost overtime opportunities on the weekend shall be paid to the successful employee(s) after exhausting Item 3 above.

LETTER #38 SENIORITY PREFERENCE - 1208 & 3860

As discussed in recent negotiations, employees in Heavy Forge, Dept. 3860 or Upsetters, Dept. 1208, shall be given the opportunity to select a press, magnaflux or upsetter by seniority on the shift that has become open through a job posting, displacement, layoff, request for transfer, retirement or promotion to a salaried position. All employees in Heavy Forge, Dept. 3860, and Light Forge, Dept. 1208, who have not selected a press, upsetter or magnaflux by seniority or their selected press, upsetter or magnaflux is not running, shall be entered into a pool before the start of each shift, in which they will have the opportunity to select an open press, magnaflux or upsetter according to their seniority.

LETTER #39 PAID LUNCHESES

The Company and the Association agree that a paid lunch will be paid to employees whose equipment, work centre or work complex is running exactly the same part number(s) as an operation which works on a three shift basis on that day.

If an operation manufactures more than one part number, the other equipment, work centre or complex must run exactly the same part number(s) on that day to qualify for a paid lunch.

LETTER #40 TEMPORARY TRANSFER FOR OVERTIME PURPOSES

Employees will receive the highest overtime hours of the job classification as of the second shift on Sunday.

Employees must be assigned a full scheduled work week on the job classification in the department before they are eligible to work overtime. Employees assigned less than a full scheduled-work week on the job classification in the department will be eligible to work in their own job classification, shift and department by virtue of their overtime hours.

LETTER #41 OVERTIME ELIGIBILITY (RE: VACATION)

For the above purpose a vacation will be in weeks. Any time less than one week will not be deemed as vacation for overtime purposes and employees taking less than one week will be eligible and will be charged for overtime. For the above purpose one (1) week shall be considered five (5) consecutive working days including paid holidays and P.P.H.s.

LETTER #42 AWOL

The Company agrees no employee shall be considered AWOL providing the employee informs the Company of intended absence within one hour of the start of the shift.

LETTER #43 INDUSTRIAL MILLWRIGHT APPRENTICESHIP PROGRAM

The Association and the Company agree for purposes of apprenticeships in the Maintenance Department, that all apprentices, excluding the electrical and machinist trade, shall be trained as Industrial Millwrights pursuant to regulations set out by the Government of the Province of Ontario.

The parties further agree the Company shall place the Industrial Millwright apprentice graduate in the appropriate trade where a vacancy exists.

LETTER #44 DEPARTMENTAL/CLASSIFICATION SENIORITY FOR SKILLED TRADES

Departmental seniority shall be implemented into Schedule I. All classifications shall be separate non-interchangeable occupational groups. Seniority in each department and classification shall start under the following guidelines:

Apprentices shall have their apprenticeship start date as their departmental seniority date upon successful completion of the certificate of qualification examinations. Journeymen hired from outside the bargaining unit or through a job posting for Schedule I jobs shall have the date they signed the job posting as their department seniority date.

No departmental seniority time shall be accumulated outside of their department on any voluntary move out of the classification. In any cases of involuntary moves out of Schedule I, their seniority will continue to accumulate.

Each employee's seniority in Schedule I, or the date of their Certificate of Qualifications, whichever is less, shall be used in all cases of bumping rights within Schedule I, between classifications, in accordance with Article 10.12(a)(5) and subject to his qualifications. The Company and the Association will mutually agree that there may be times when the provisions of Article 10.14(a) will not be applied given the employee's qualifications at the time of displacement. All Schedule I

employees will retain their plant seniority for all other service-related purposes.

LETTER #45 - TEMPORARY TRANSFER FOR MAGNAFLUX DEPARTMENT

During recent negotiations between the Association and the Company, the parties agreed that employees in Department 3860 shall temporary transfer by seniority provided they are qualified, into the Magnaflux job classification, for a period of-up to ten (10) weeks, unless an extension is mutually agreed to by the Company and the Association.

An informal back up list will be posted every January in Dept 3860 for this purpose. Preference will be given to employees with ownership to Dept. 3860. It is also agreed that the Company will provide the required training.

LETTER #46 - BACK-UP POSITION FOR STOCKROOM ATTENDANT

During recent collective bargaining negotiations between the Association and the Company, both parties agreed to establish a “back-up” for the Stockroom Attendant job classification.

The amount of training required will depend upon the related knowledge and aptitude that the successful candidate brings into the job.

When posting for the back-up position, it is agreed the number of back-up employees shall not exceed the number of regular full-time employees.

Employees who hold a back-up position may apply for and receive another job posting and still retain their back-up position if they so desire. Employees who wish to relinquish their back-up rights may do so by signing a waiver form in Human Resources at the time they sign for their new job posting.

When a regular job becomes available, the first employee accepted for a back-up job will automatically go to the job when the job opens up, regardless of seniority.

No additional back-up positions shall be created unless mutually agreed to by the Company and the Association.

SUPPLEMENTAL AGREEMENT

FOR

LETTERS OF UNDERSTANDING

between

**TRW Canada Limited
Linkage & Suspension Division**

and

**Thompson Products Employees'
Association**

covering

**Schedule II Job Classifications
Toolmakers and Former Die Build Operators
Quality Control Department
Office Cleaner
Forge Technician Five (5) Year Agreement
Apprentices**

LETTERS OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND
THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION

Re: Schedule II Job Classifications

This letter shall be in effect from the 1st day of May, 2009 and shall expire on April 30, 2012 and shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure.

This document specifies the job classifications with their respective wage groups. Jobs listed opposite the job classification indicate the job content of that particular classification.

The Association and the Company further agree to the departments listed in this agreement for the purpose of overtime, layoff, displacement and recall.

Both parties understand and agree to the establishment of the job classifications listed herein and to the terms and conditions in this document relating to the changes required to successfully implement the new job classifications.

The Association agrees to work with the Company and the employees to ensure the work centres function as discussed at negotiations in the interest of preserving jobs and creating opportunities for new business.

Effective from May 1, 2009 or date of ratification, the following conditions will apply as outlined:

1. Employees shall continue to perform their current individual jobs within their job classification in their department. Duties will be reassigned on the basis of seniority prior to the job being posted.

2. When a group of individual jobs are directly combined within a job classification in a department to form a work centre, employees shall be selected on a voluntary basis by seniority within the job classification in the department. Under the general direction of the Production Coordinator, Work Centre Technicians shall be responsible for determining individual job selections or job rotation on the shift within the work centre. However, if one or more individual jobs within a work centre are required to operate on an entire shift basis, senior employees on the shift within the job classification and work centre will have preference if they wish to operate the individual job.

3. (a) No employee shall be bypassed for any of his overtime opportunities within his job classification in his department as a result of his qualifications.

- (b) Any employee who is eligible to work in his job classification and department shall be allowed to operate his individual job, selected press, upsetter or magnaflux, on overtime providing his individual job, selected press, upsetter or magnaflux is operating.

4. For the purpose of layoff, displacement and recall, the company agrees to recognize all employees within a job classification as being fully trained and qualified.
5. It is understood that for the purposes of layoff (excluding forced layoff), displacement, recall and overtime, that department 5792 shall be recognized separately as Plant I and Plant II.
6. Wages will be adjusted to reflect the status of the new job classification for all employees in that classification.
7. During negotiations the Association and the Company discussed Article 18.05.

Effective May 1, 2009, the Company agrees that it will not combine jobs using the provisions of Article 18.05 or combine existing departments without the Association's agreement and the Association agrees that it will not unreasonably withhold its agreement. This shall expire on April 30, 2012.

- 8. Definition of Grandfathered Job Classifications**
Employees shall be retained on their job classification during the term of this agreement unless otherwise spelled out, until retirement or the employee applies for and receives a new job posting. This does not prevent the employee that is grandfathered from being displaced by a more

senior displaced employee or from becoming displaced as a result of a lack of work. However, the displaced grandfathered employee shall have recall rights pursuant to the Collective Labour Agreement. Grandfathered employees shall not be displaced because of a lack of work created by the company by combining or outside contracting any of the grandfathered job classifications.

List of Jobs Grandfathered

Toolmaker DBO
General Labour
Machine Tank Cleaner
Maintenance Machinist
Maintenance Welder
Toolcutter Grinder
Inspector II
Inspector III
Office Cleaner

9. When a group of individual jobs are directly combined to form a work centre and one individual job is on a three shift basis, all employees in the job classification in the work centre and department will receive a paid lunch.
10. The Company and the Association agree to decrease the following job classifications under the conditions listed in this document.

All employees in General Services will be assigned to Department 5489:

1. General Labour

- (a) Grandfather all current General Labour employees until retirement or the employees apply for and receive a new job posting.
- (b) The Company shall guarantee a minimum of six (6) jobs within this job classification during the term of this agreement. The Company agrees to retain all current employees actively on their job until retirement. This number shall be reduced by retirement or employees receiving a new job posting only to a minimum of four (4) jobs guaranteed. Any job openings that occur below the level of six (6), four (4) if there has been a retirement or a General Labour employee has signed for another job posting, shall be posted pursuant to Article 11.

2. Machine Tank Cleaner

- (a) Grandfather all current machine tank cleaners until retirement or the employee applies for and receives a new job posting.
- (b) The Company shall guarantee a minimum of three (3) jobs within this job classification during the term of this agreement. Any job openings that occur below the level of three (3) shall be posted as per Article 11.

NEW JOB CLASSIFICATION
NEW INDIVIDUAL JOBS WITHIN GROUP

THE CLASSIFICATION

OFFICE CLEANER	4	-Office Cleaner
GENERAL LABOUR	4	General Labour
MACHINE TANK CLEANER	6	-Machine Tank Cleaner
LIFT TRUCK	6	-Lift Truck
MATERIAL HANDLER	8	-Packer -Receiver -Crane Operator -Order Picker -Stockroom Purchase/ Finished Parts -Stockhandler
STOCKROOM ATTENDANT	8	-Stockroom Attendant
INSPECTOR III	8	-INSPECTOR III
WORK CENTRE II	9	-Spinner Assembly SUO -Auto Zerk -Product Review Operator SUO -Linkage Table Assembler -Automatic and Manual Clamp Machine

		<ul style="list-style-type: none"> -Hydraulic Press -Tie Rod Operator :Assembly Dial -Accutappers -Draglink assembly machines -Tube, bracket, bolt assembly machines -Boot seal assembly Machine -Inner tie-rod assembly machines
WHEELABRATOR	10	<ul style="list-style-type: none"> -Wheelabrator Tumbblast -Rotary Sandblast -Belt Sandblast
EDDY CURRENT	10	<ul style="list-style-type: none"> -Eddy Current Technician -Slurry
LUBRICATION	10	<ul style="list-style-type: none"> -Lubrication Service
PRODUCTION PRESS	10	<ul style="list-style-type: none"> -Shears -Cold Wire Draw & Cut Off SUO -Press Operation SUO -Product Review (3860) -1500 Ton Press -Verson Press
METAL-WORKING FLUID TECHNICIAN	10	<ul style="list-style-type: none"> -Metal-working Fluid Technician

WORK CENTRE TECHNICIAN I	1	-Multi Spindle Machine Operator -Avey Automatics -Threaders -Hepburn Drill -Roll Threaders -Fadal (CNC) -Bender -Motch Machine -Chiron -Cut Threaders -CNC Lathe -Balljoint Lathes -Crimp press -Bend press
INSPECTOR II	11	-Inspector II
TOOLSETTER	13	-Toolsetter
INSPECTOR I	13	-Inspector I
TOCCO SET-UP	13	-Tocco Set-Up
PAINT COMPLEX TECHNICIAN	14	-Paint Complex Technician
HEAT TREAT OPERATOR	14	-Heat Treat Operator
FORGE TECHNICIAN	14	-Upsetter SUO -Forge Press Hot SUO & Hot Forge Press

Sockets

MAGNAFLUX OPERATOR	14	-Magnaflux Operator
EUMOCO TECHNICIAN	14	-Eumoco Technician
TOOL PROVEOUT/ SET-UP INSTRUCTOR	15	-Forge Shop Crib and Die Repair -Tool Proveout Set- Up Instructor
PRECISION COLD FORM TECHNCIAN	16	-Erie Press -Nedschroef Cold Former -National Cold Former
PRECISION COLD FORM SET-UP INSTRUCTOR	17	-Precision Cold Form Set-up Instructor

Departments:

1. 1208	11. 4575
2. 1513	12. 4580
3. 1817	13. 4883
4. 1919	14. 4984
5. 2237	15. 4985
6. 3860	16. 5186
7. 3A70	17. 5287
8. 3970	18. 5388
9. 4M75	19. 5489
10. 4120	20. 5792

Note: All "WCT I" employees will form one department and all "WCT II" employees will form another department. The Toolsetter in Plant 2 will be in a separate department in Plant 2 from the machining and assembly operations. The Lift truck operator in Plant 2 will be in the same department as the WCT II employees.

The parties agree following the signing of the Collective Labour Agreement to meet and discuss current department organization with a view to furthering work centre concepts. No changes shall be implemented unless mutually agreed to by the Company and the Association.

Signed at St. Catharines
this 31st day of July 2009

For the Company
D.Boc *K.Teeuwsen*

For the Thompson Products
Employees' Association
B.Benard *E.Defilippis*

LETTER OF UNDERSTANDING BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND
THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION

**Re: Toolmakers And Former Die Build Operators
(DBO)**

This letter shall be in effect from the 1st day of May, 2009 and shall expire on the 30th day of April, 2012-and shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure.

The following terms and conditions as outlined in the subsequent schedules

Schedule A - Toolmaker (DBO's)
Grandfathered Die Build
Operators - Neil Stanley

Schedule B - Overtime Distribution

Overtime distribution is accepted and agreed to and shall become the procedural guidelines for purposes of administration of the agreement to grandfather the previous Die Build Operator classification.

Only the job classification Toolmaker will be defined, recognized and utilized in the Collective Labour Agreement.

It is understood and agreed that overtime distribution for all Toolmakers (including Toolmaker Apprentices and Toolmaker DBO's) will be allocated and administered in

accordance with the specific requirements of the renewal Collective Labour Agreement (14.10) and Schedule B of this document.

Signed at St. Catharines
this 31st day of July, 2009

For the Company

D.Boc

K.Teeuwsen

For the Thompson Products

Employees' Association

B.Benard

E.Defilippis

SCHEDULE A

TOOLMAKER (DBO)

GRANDFATHERED DIE BUILD OPERATORS

1. The Die Build Operator whose classification has been deleted will continue to be grandfathered into the designation of Toolmaker (DBO) with the understanding that he will work on the equipment listed below.
 - Rotary Grinder (Blanchard Grinders)
 - Die Maintenance & Repair (Upsetter Trimmers)
 - CNC Mill
 - Benching
 - Die Identification
2. The Toolmaker (DBO) will be trained on all toolroom DBO equipment and replacement equipment, and will be deemed qualified for overtime on the equipment listed in #1.

3. It is agreed that the Company cannot guarantee a steady day job to any employee in the Toolroom. The requirements of the job and equipment availability will influence management regarding the number of employees who can work steady days.

SCHEDULE B OVERTIME DISTRIBUTION

Distribution of overtime for "Toolmakers" shall be allocated as follows:

1. During the term of this Agreement the following guidelines shall apply:
 - (a) Overtime during the week will be assigned to the Toolmaker, including *Toolmaker Apprentice and Toolmaker DBO, actually performing the work that day.
 - (b) Weekend overtime will be assigned within the new Toolmaker classification, including *Toolmaker Apprentices, and Toolmaker DBO's, in accordance with the renewed Collective Labour Agreement and as outlined below:
 - (1) by low man hours
 - (2) by job classification
 - (3) by department

* Toolmaker DBOs and Toolmaker-Apprentices must be qualified to perform any overtime work.

Signed at St. Catharines
this 31st day of July 2009

For the Company

D.Boc

K.Teeuwsen

For the Thompson Products Employees' Association

B.Benard

E.Defilippis

LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND
THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION

Re: Quality Control Department

This letter shall be in effect from the 1st day of May, 2009 and shall expire on the 30th day of April, 2012-and shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure.

Both parties understand and agree to the establishment of assigned areas as outlined herein subject to the terms and conditions in this document which recognize and accept the Company's requirement for greater flexibility **and** efficiency in the workplace and other requirements **as** listed in this document.

1. Effective May 1, 2009 or date of ratification, the job classifications for Inspection employees shall be as follows:

Precision Inspector
Inspector I
Inspector II - grandfathered
Inspector III - grandfathered

2. Inspector II

It is agreed that only six (6) jobs will be available to Inspector II employees. It is further agreed that economic downturn or loss of products could reduce the number of Inspector II employees required from the current six (6) jobs.

3. Inspector III

It is agreed that only eight (8) jobs will be available to Inspector III employees. This number shall be reduced by retirement or job posting only to a minimum of three (3) jobs. It is further agreed that economic downturn or loss of products could reduce the number of Inspector III employees required from the current eight (8) jobs.

4. For the purposes of defining assigned areas pursuant to the administration of this document and where referenced in the Collective Labour Agreement, the following shall apply:

<u>Job Classification</u>	<u>*Assigned Area & Job Duties</u>
Precision Inspector	Department 4575
Precision Inspector	Department 4985
Inspector I	Prove-out and gauge control Plant I Plant II

Inspector II

Two Assigned areas: 1) Heavy Forge
2) Light Forge

Inspector III

1) Plant I - Audit
2) Plant II - Shipping
Area
3) General

* The Company reserves the right to change the boundaries of assigned areas to economically satisfy manufacturing and quality requirements.

5. In the case of Inspection department employees, the affected area shall be as outlined above.

6. For purposes **of** recall from layoff and displacement from 4984, the employee will be recalled by seniority in accordance with the Collective Labour Agreement and the provisions of this document as follows provided he is qualified to perform the work.

- (1) to assigned area and job classification
- (2) to job classification
- (3) to any job he is qualified to perform in the plant in Dept. 4984.

7. (a) For the purposes **of** overtime distribution it will be allocated and administered in accordance with the specific requirements of 14.10 of the Collective Labour Agreement and the following procedure:

- low man hours by shift, assigned area, job classification and department

- (b) When additional overtime is required which cannot be met through 7(a), then the following procedures will apply providing the employee is qualified to perform the work.

Outside the Assigned Area:

Inspector I

1. By low man hours and shift in the job classification, provided he is qualified to perform the work;
2. By low man hours and job classification in the department, provided he is qualified to perform the work;
3. By low man hours regardless of shift and job classification, provided he is qualified to perform the work.

Inspector II

1. As above in Inspector I
2. As above in Inspector I
3. By senior displaced Inspector II in the department
4. By first accepted back-up Inspector II in the department
5. By low man hours in department regardless of shift or classification provided he is qualified to perform the work.

Inspector III

1. By low man hours and shift in the job classification in the affected plant provided he is qualified to perform the work.
2. By low man hours and job classification regardless of shift in the affected plant.
3. By low man hours and shift in the job classification in the other plant.
4. By low man hours in the job classification regardless of shift in the other plant.
5. By low man hours regardless of shift and classification in the department.

Employees in the affected assigned area shall be allowed to fill an open shift on the weekend before overtime is offered to any employee outside of the assigned area.

8. When temporary positions open in any classification in the Inspection Department, Back-up Inspector IIs shall fill any such position by virtue of their seniority and in accordance with Article 11.07 of the Collective Labour Agreement.
9. When job openings occur in a job classification and assigned area, duties will be re-assigned on the basis of seniority prior to the job being posted.

Signed at St. Catharines this 31st day of July 2009

For the Company

D.Boc

K.Teeuwsen

For the Thompson Products Employees' Association

B.Benard

E.Defilippis

LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND
THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION

Re: Office Cleaner

This letter shall be in effect from the 1st day of May, 2009 and shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure.

This document specifies the terms and conditions of the job classification of Office Cleaner, Department 5489 and shall be the only interpretation given to the Office Cleaner job classification. The Company further agrees this agreement shall not be used in any arbitration hearing regarding outside contracting unless the arbitration hearing involves the job classification of Office Cleaner.

Effective May 1, 2009, or date of ratification by the T.P.E.A. the following terms and conditions shall apply as outlined:

1. Office Cleaner (11-7)
The Company shall maintain a total of four **(4)** Office Cleaner employees, and shall preserve this number of employees actively on their job classifications. Notwithstanding the above, it is agreed that in the event of economic downturn and/or reduction in the amount of work listed under 11-7 Office Cleaner's Job Duties in this document, the Company could reduce the number of Office Cleaners required from the four **(4)** jobs in this article provided that there is no contracting out of any Office Cleaner work listed or non-listed in this document while there are less than four jobs. The current number of four **(4)** active employees shall be reduced only upon the retirement or job posting of an Office Cleaner employee to a minimum of two **(2)** active employees. Any job openings that occur below the level of two **(2)** shall be posted. Job duties shall be reassigned prior to posting.
2. The Company agrees that there shall be no additional outside contracting of any work belonging to the job classification of Office Cleaner.
3. The Office Cleaners will report to the Area Manager in the area that they normally perform the work.
4. **All** Office Cleaner job duties as specified in this document shall be performed on the 11-7 shift only.

5. Office Cleaners, General Labour and Machine Tank Cleaners shall be separate and distinct job classifications. Office Cleaners' job duties shall not be added to unless one of the following job duties are deleted and the addition is equivalent to the deletion and job duties are not from another job classification.
6. Job duties shall be equally divided into four (4) separate areas. A list of the four (4) areas' job duties have been delivered to the Association with a list of each Production Coordinator the employee is responsible to report to. The four (4) areas' job duties shall not be combined to reduce the number of areas and the available areas shall be reassigned by seniority prior to posting or contracting out.
7. Both parties agree that nothing in this document redefines the arbitrator's interpretation of Letter #8 of the Collective Labour Agreement.

11-7 OFFICE CLEANERS' JOB DUTIES

Lab

Men's & Women's Washroom - Plant 2 next to Lab

Plant 2 Production Coordinator's Office

Plant 2 Area Manager's Office

Shipping Office

Inspection Office Plant 2

T.P.E.A. Office

Lobby Outside Training Centre

Men's & Women's Washroom - Training area

Lunch Rooms Plant 1

Heavy Forge Production Coordinator's Office

Heavy Forge Area Manager's Office
Floor Contact Technician's Office
Heavy Forge Washrooms
Shipping & Receiving Office
Weigh Scale Office
Heat Treat Inspection Office
Heat Treat Area Manager's Office
Toolroom Production Coordinator's Office
Maintenance Purchasing Office
Supervisor's Locker Room, Hall & Stairs
Upsetter Area Manager's Office
Upsetter Production Coordinator's Office (2)
Electronics Shop
Plant Engineering Office
Toolroom Programmer's Office
Toolroom Area Manager's Office
Toolroom Estimator's Office
Toolroom Project Manager's Office
Front Entrance Plant 1
Maintenance Area Manager's Office
Maintenance Production Coordinator's Office

EMPLOYEES GRANDFATHERED IN THE OFFICE
CLEANER JOB CLASSIFICATION

I. Fortino, R.Haines, D.McCready, J.Tkachuk

Signed at St. Catharines
this 31st day of July, 2009

For the Company
D.Boc *K.Teeuwsen*

For the Thompson Products Employees' Association
B.Benard *E.Defilippis*

**LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION**

Re: Enhanced Employment Standards Act Severance

If, prior to April 30, 2012, an employee who is laid off after April 30, 2009 and subsequently elects severance, the severance calculations for the Employment Standards Act will be calculated using the greater of the employee's base rate in effect as of April 30, 2009 or their base rate at the time of layoff.

Signed at St.Catharines
This 31st day of July, 2009

For the Company

D.Boc

K.Teeuwsen

For the TPEA

B.Benard

E.Defilippis

**LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION**

Re: Recall Waiver List

This letter shall be in effect from the 1st day of May, 2009 and shall expire on April 30, 2012 and shall form part of the Collective Labour Agreement and shall be enforceable through the grievance and arbitration procedure.

Further to the recall provisions of the collective agreement, the Company and the Association agree as follows:

- 1) Upon being recalled to work from layoff, an employee shall have the following options:
 - a. Accept the recall as per the provisions of the Collective Labour Agreement;
Or
 - b. resign and receive his severance if eligible; or
 - c. apply to be placed on the "Recall Waiver List"

- 2) An employee who wishes to be placed on the recall waiver list must express his intention to exercise this option by signing the "Recall Waiver Application" in the Human Resources Department within five (5) days of being

notified to return to work. The Association will receive a copy of approved “Recall Waiver Applications”.

- 3) The “Recall Waiver” period will be for a six (6) month continuous period of time. During this period of time, all parties agree that the employee will be bypassed for any recall opportunities.
- 4) Once exercised, an employee cannot request to be removed from the list prior to the expiry of the six (6) month period.
- 5) This option may be exercised once during the life of the collective agreement.
- 6) During the “Recall Waiver Period”, the employee will not accumulate seniority.
- 7) Upon the expiry of the Recall Waiver period, the employee will revert back to the normal recall list and will be recalled to the next available opportunity based on his seniority at the time the waiver was signed.
- 8) An employee, after exercising this option will return as a Tier II employee and will follow the guidelines for Tier II employees as set out in the Collective Labour Agreement.

Signed at St.Catharines
This 31st day of July

For the Company
D.Boc *K.Teeuwsen*

For the TPEA
B.Benard *E.Defilippis*

**LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION**

Re: New Employee Compensation Package

This letter shall be in effect from the 1st day of May, 2009 and shall expire on April 30, 2012 and shall form part of the Collective Labour Agreement and will be enforceable through the grievance and arbitration procedure. The following terms will be applicable to:

- 1) Tier I employees who have been accepted for the "Recall Waiver" option.
- 2) All employees hired after **April 30, 2009**.

Wage Schedule for Tier II Schedule I employees: \$2.00 per hour less than Tier I employees

Apprentices selected from Tier I Schedule II employees shall be considered Tier I for the duration of their apprenticeship and upon completion, shall be considered Tier I Schedule I employees.

Wage Schedule for Schedule II Employees:

Job Classification	Group No.	Tiered Wage Schedule
Precision Cold Form Set-up Instructor	(17)	\$16.90
Precision Cold Form Technician	(16)	\$16.40
Tool Proveout/Set Up Instructor	(15)	\$15.90
Forge Technician Paint Complex Tech. Heat Treat Operator Magnaflux Operator Eumoco Technician	(14)	\$15.40
Tocco Set Up Inspector I Toolsetter	(13)	\$15.19
Work Centre Tech I Inspector II	(11)	\$14.95
Production Press Operator Eddy Current Wheelabrator Tumblast Lubrication Service Metal-working Fluid Technician	(10)	\$14.45
Work Centre Tech II	(9)	\$14.24
Stockroom Attendant Inspector III	(8)	\$13.95

Material Handler	
Lift Truck Operator	\$13.45
Machine Tank Cleaner	
General Labour	\$13.20
Office Cleaner	

a) Vacation Schedule:

Years of Service as of July 1 st of the Vacation Year	Length of Vacation	Basis for Vacation Pay
6 mos. < 1 year	1 week	40 hours
1 year < 5 years	2 weeks	80 hours
5 years < 15 years	3 weeks	120 hours
15 years and over	4 weeks	160 hours

- b) Tier II employees will have the same group insurance and benefits as Tier I employees.
- c) Tier II employees will observe the holiday schedules as specified in Articles 19.
- d) Tier II employees shall not have a pension plan, retiree benefits or be in receipt of any Cost of Living Allowance.
- e) The ratio will be as follows:
 Tier I = 60% of employees
 Tier II = 40% of employees

*Schedule I and Schedule II will be recognized as separate in formulating the ratio.

Both parties agree that Tier I employees (as of May 1,

2009), shall not revert to Tier II except those Tier I employees that have exercised the recall waiver option. Once there is an imbalance in the above-stated ratios, the most senior employees in Tier II shall move into a Tier I wage schedule and COLA or the most junior employees in Tier I (ie employees previously in Tier II) shall return to a Tier II wage schedule to maintain the ratio. These adjustments will be made on a semi-annual basis as stated below.

Adjustments to the Tier ratio will be adjusted on a semi-annual basis (January and July).

All other Articles, Letters of Understanding and Guidelines contained in the Collective Labour Agreement shall apply to Tier II employees.

Signed at St.Catharines
This 31st day of July

For the Company

D.Boc

K.Teeuwssen

For the TPEA

B.Benard

E.Defilippis

**LETTER OF UNDERSTANDING
BETWEEN
TRW CANADA LIMITED
LINKAGE & SUSPENSION DIVISION
AND THOMPSON PRODUCTS EMPLOYEES'
ASSOCIATION**

Re: Job Security

- a) Provided the customers continue to purchase from the Company at least 50% (7 of 13) of the current model programs listed below, the St. Catharines plants will remain open through April 30, 2012.

Current Model Programs:

PM/MK Lower Control Arm (EOP Dec 2012)
KK Upper Control Arm (EOP June 2014)
PN150 Outer Ends (EOP 201 1)
JK Tie Rods & Draglinks (EOP Dec 2014)
VN127 Linkage (EOP Dec 2013)
P415 Upper Control Arms (EOP June 2014)
P415 Ball Joint (June 2014)
PN-150 Upper Arms (Dec 201 1)
PN-150 Ball Joint (Dec 2011)
UP251 Ball Joint (June 2010)
BMW F25 Control **Arms** (June 2017)
P473 Track Bar (June 2014)
CD3XX Control Arms (June 2012)

- b) The Association and the Company have discussed at length during these negotiations the need to improve both the near and long term competitiveness of the St. Catharines plants.

The Association and the Company have made considerable efforts and sacrifices over the past years to reduce cost, improve quality and safety, and increase productivity. However, the cost structure has not permitted these efforts to allow the plants to competitively quote for new business. This is shown by the current programs and the lack of any new programs assigned to the plants.

However, both parties have also discussed the potential of new business opportunities that Ford and Chrysler have asked TRW to quote as a result of the financial status of their current suppliers that might become available in the near and long term, and are currently being considered for production at St.Catharines. The actions outlined in this agreement are designed to improve the competitiveness of the St. Catharines plants and provides a cost structure that will help maintain its current business and effectively quote new business opportunities. One of these opportunities includes the Powers Linkage business which is currently being quoted. With the appropriate cost structure, that business will be manufactured in St.Catharines **if it is** awarded to TRW.

Signed at St.Catharines
This 31st day of July 2009

Bruce Hoover
Director, Operations Linkage & Suspension

Outline of Supplemental Unemployment Insurance Plan (S.U.B.) and the Guaranteed Benefit Account Plan (G.B.A.)

Effective May 1, 2009, an employee will qualify and receive benefits from S.U.B. and G.B.A. under the following terms and conditions:

1. The employee must have sufficient credits to collect benefits.
2. The affected employee on a sixty (60) day layoff may collect S.U.B. providing he did not commence a sixty (60) day layoff within the previous period of one (1) year. On a subsequent sixty (60) day layoff he will not qualify for S.U.B.
3. S.U.B. will be paid on all indefinite layoffs.
4. Employees in Appendix I on a forced sixty (60) day layoff will be eligible for S.U.B. or G.B.A. However, this employee must be the junior employee forced out of his classification and department in Appendix I.
5. Benefit payment will be made on the following basis
 - (a) No payment for the first week of layoff (E.I. waiting period).
 - (b) 40% of weekly straight time pay plus dependent benefits for the second week under the S.U.B. Plan - (E.I. waiting period).

- (c) 80% of weekly straight time pay plus dependent benefits for the second week under the G.B.A. Plan - (E.I. waiting period).
 - (d) 80% of weekly straight time pay plus dependent benefits reduced by E.I. benefits received in the third and subsequent weeks of layoff.
 - (e) The employee who immediately qualifies for E.I. benefits will fall under (d) above.
6. Employees electing a thirty-six (36) month layoff will be ineligible for S.U.B. or G.B.A. benefits for the period of such layoff on or after May 1, 1994.
 7. A Guaranteed Benefit Account (G.B.A.) will be established for employees with the ten (10) or more years' seniority. Employees who fall in this category will receive fifty-two (52) G.B.A. credit points as of May 1, 1994.
 8. Employees with ten (10) or more years' seniority on a forced sixty (60) day layoff and not eligible for regular S.U.B. benefits will qualify for G.B.A. benefits.
 9. Employees applying for S.U.B. or G.B.A. benefits must do so on a Company supplied form in the Human Resources Department.
 10. No S.U.B. or G.B.A. benefits will be paid when the funding level falls below 4% of the maximum funding level.

11. Credit units shall be credited at the rate of one-half (50) point for each work week the employee receives compensation from the Company.
12. The number of credit units cancelled for each work week for which a S.U.B. or G.B.A. benefit is paid will be in accordance with S.U.B. or G.B.A. tables.
13. Upon obtaining ten (10) years' seniority, an employee is credited with fifty-two (52) credit units in the G.B.A. Plan.

The above is an outline only. It is understood that the Master Document of the Supplemental Unemployment Insurance Plan and the Guaranteed Benefit Account Plan shall be the governing documents in any question of interpretation.

S.U.B. TABLE

If the status of the Trust Fund (as a percentage of The Maximum Funding Level) is:	1 but less than 5	5 but less than 10	10 but less than 15	15 but less than 20	20 but less than 25	25 or more than 25
	1.00	1.00	1.00	1.00	1.00	1.00
76 - 85.00%	1.11	1.00	1.00	1.00	1.00	1.00
67 - 84.99%	1.25	1.11	1.00	1.00	1.00	1.00
58 - 75.99%	1.43	1.25	1.11	1.00	1.00	1.00
49 - 66.99%	1.67	1.43	1.25	1.11	1.00	1.00
40 - 57.99%	2.00	1.67	1.43	1.25	1.11	1.00
31 - 48.99%	2.50	2.00	1.67	1.43	1.25	1.11
22 - 39.99%	3.33	2.50	2.00	1.67	1.43	1.25
13 - 30.99%	5.00	3.33	2.50	2.00	1.67	1.43
4 - 21.99%	10.00	5.00	3.33	2.50	2.00	1.67
Under 4%			No benefit payable			

G.B.A. TABLE

Credit Unit Cancellation Base (as percentage of the Maximum Funding level)	Years of Seniority		
	10 but less than 20	20 but less than 25	25 or over
85% or over	1.00	1.00	1.00
76% but less than 85%	1.11	1.00	1.00
67% but less than 76%	1.25	1.11	1.00
58% but less than 67%	1.43	1.25	1.11
49% but less than 58%	1.67	1.43	1.25
40% but less than 49%	2.00	1.67	1.43
31% but less than 40%	2.50	2.00	1.67
22% but less than 31%	3.33	2.50	2.00
13% but less than 22%	5.00	3.33	2.50
4% but less than 13%	10.00	5.00	3.33
Under 4%			No benefit payable

It is understood that the Master Document of the Supplemental Unemployment Insurance Plan and the Guaranteed Benefit Account Plan shall be the governing documents in any question of interpretation.

2009

January '09

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February '09

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March '09

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April '09

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May '09

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June '09

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July '09

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August '09

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September '09

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October '09

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November '09

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December '09

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

2010

January '10

Su	M	Tu	W	Th	F	Sa
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February '10

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March '10

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April '10

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May '10

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June '10

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July '10

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August '10

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September '10

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October '10

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November '10

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December '10

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

2011

January '11

Su	M	Tu	W	Th	F	Sa
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February '11

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March '11

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April '11

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May '11

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June '11

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July '11

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August '11

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September '11

Su	M	Tu	W	Th	F	Sa
					1	2
					3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October '11

Su	M	Tu	W	Th	F	Sa
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November '11

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December '11

Su	M	Tu	W	Th	F	Sa
					1	2
					3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2012

January '12

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February '12

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

March '12

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April '12

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May '12

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June '12

Su	M	Tu	W	Th	F	Sa
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July '12

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August '12

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September '12

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October '12

Su	M	Tu	W	Th	F	Sa
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November '12

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December '12

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					