

MASTER AGREEMENT

between

MERITOR SYSTEMS COMPANY

and

NATIONALAUTOMOBILE,
AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION
OF CANADA

(CAW)

AND

ITS

LOCAL 127, CHATHAM

LOCAL 1067, MILTON

MARCH 15, 2001 -MARCH 14, 2004

THIS COLLECTIVE AGREEMENT SETS
FORTH THE AGREEMENT BETWEEN THE
PARTIES IN RESPECT OF THE MATTERS
CONTAINED HEREIN.

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Article 1 - Recognition

1.01 The Company **recognizes** the National Union (CAW) as the sole collective bargaining agency for collective bargaining purposes for its hourly-rated employees at its plants at **Chatham**, and Milton; with the following exceptions:

Supervisor; all those above the rank of Supervisor; Office Staff; Sales Staff and Plant Protection personnel.

In the event the National Union is certified by the Ontario Labour Relations Board as the collective bargaining agent for a Unit of hourly-rated employees, or if recognition is extended without formal certification, at any new location or locations of the Company in Ontario, doing similar or comparable work (i.e., the manufacture of flat leaf chassis springs, coil springs, torsion bars, sway bars and rail anchors) as that done by employees covered by this Agreement, then such Unit will be automatically covered by this Agreement, and Local Agreements will be negotiated setting out wage rates which will be comparable for comparable jobs in other locations.

Article 2 - Reservations to Management

2.01 The Union **recognizes**, that it is the function of the Company to hire, promote, demote, transfer, discipline, suspend, or discharge any employee for just cause, subject to such regulations and restrictions governing the exercise of these functions as are expressly provided in this Agreement and subject to the right of the employee concerned to lodge a grievance in the manner and to the extent **herein** provided.

2.02 The Union **recognizes**, that it is the function of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities, and that the location of plants, the products to be manufactured or dealtwith, the schedules of production and distribution, the methods, processes and means of manufacturing, and dealing with such products are solely the responsibility of the Company.

2.03 The Company also has the **right** to make and alter, from time to time, rules and regulations to be observed by the employees, which rules and regulations will not be inconsistent with the provisions of this Agreement.

Article 3 -Work by Supervisors and Salaried Personnel

3.01 Persons excluded under Article 1 - Recognition, will not perform the regular work of an employee covered by this collective agreement.

Such a *supervisory* employee may perform operations for the purpose of information or instruction as may be necessary in the discharge of supervisory duties, and may also do experimental work, provided that the act of performing the aforementioned operations in itself does not reduce the hours of work or pay of any employee.

3.02 Notwithstanding the above, where a supervisor does work normally performed by an employee, the employee will observe the supervisor and will be paid at regular earnings level while the supervisor is doing the work.

Article 4 - Union Security and Check-Off of Union Dues and Initiation Fees

4.01 It is agreed by the parties that all employees will sign a union membership card and will remain members of the union as a condition of employment subject to Clause 4.06. The Company agrees to give to each new employee a copy of the Collective Agreement.

4.02 It is also agreed by the parties that all present employees of the Company will pay union dues and initiation fees as a condition of employment. All new employees hired will also, as a condition of employment, have deducted from their pay the monthly union dues, or an equivalent sum, and will, at the completion of the probationary period, have deducted from their pay the union initiation fee, which will be checked off by the Company.

4.03 The amounts so deducted will be such sums as may from time to time be assessed by the Union on its members in accordance with the Constitution and/or By-laws of the National and Local Union. In case of any conflict, the By-laws or Constitution of the National will govern.

4.04 The Company agrees to forward to the Financial Secretary of the appropriate Local Union by cheque each month, not later than five (5) working days following completion of the first full week of the month from which deductions were made, the total amount deducted and also a list of the employees from whom the deductions were made and who were not checked off and the reason.

4.05 The Financial Secretary of each Local Union will notify the Company of any change in the amount of Union dues and/or initiation fees, that may from time to time take place in line with constitutional requirements.

4.06 It is understood and agreed by the parties that the above procedures contained in clauses 4.01 to 4.05 inclusive do not compel the Company to discharge an employee if the employee is suspended or expelled from the Union under the National Constitution trial procedures.

Article 5 - Strikes and Lockouts

5.01 The Company and the Union agree to abide by the Ontario Labour Relations Act in regards to strikes and lockouts.

Article 6 - Union Activities

6.01 The Company will provide for the exclusive use of the Union, separate bulletin boards in the plants of the Company, to be prepared and located by agreement between local management and local plant committee.

It is agreed that the use by the Union of such bulletin boards will be restricted to applicable posting.

6.02 At each plant the Union will be allocated space for Union Information Racks for the distribution of Union Educational material of a non-political nature.

6.03 The Union, its members and/or its agents will not, on Company time or at Company expense, conduct or attempt to conduct Union activities except as herein expressly provided.

Article 7 - Union Representation

7.01 The Union may appoint and the Company will recognize a Master Negotiating Committee consisting of three bargaining unit members from each unit covered by this Agreement and for each unit one national representative or local union president. One member of the Committee will be appointed as Chairperson of the Master Negotiating Committee. In addition, national staff representatives may attend master negotiating meetings on matters pertaining to special categories such as S.U.B., Benefits, Skilled Trades, Incentives, etc.

Article 8 - Meetings and Conferences

8.01 Master Level Conferences

Conferences between the Master Negotiating Committee and representatives of the Company will be held at the request of either party. Matters to be discussed at any such conference will be listed in an agenda to be supplied by the party requesting the conference to the other party at least fourteen (14) calendar days prior to the day for which the conference is requested, unless otherwise arranged by the parties. Subjects on the agenda submitted must be in accordance with clauses contained in this Master Agreement.

8.02 Master Committee Meetings

Meetings of Master Committee will be scheduled at such time as needed by either party through notification to the other party. Agendas on the issues to be discussed will be provided prior to the meeting whenever possible.

8.03 Local Committee Meetings

Should any emergency arise, the Master Committee or Local Management may call a meeting at any time provided it is able to give the Union or Company a notice of the said meeting at least two hours before the time of the said meeting, advising the other party of the subject matter to be discussed.

However, this clause will not be used to negate or circumvent the normal grievance procedure.

8.04 The Company agrees to answer in writing any questions contained in the subject matters on the agenda of such a meeting as referred to in Clauses 8.02 and 8.03 within a reasonable period not to exceed 5 working days Local, 30 calendar days Master.

8.05 The National Representative may be present at any meetings (Master or Local).

8.06 For all meetings as provided for under Clauses 8.01, 8.02, and 8.03, and for Local and Master Negotiating Meetings held during working hours or any other hours, payment will be made to employees by the Company at the employees regular hourly rate; or average rate at overtime rates when applicable.

Article 9 - Functions and Payments for Committeeperson

9.01 It is understood and agreed that the Plant Chairperson and Committeepersons, as well as other employees, have regular duties to perform in connection with their employment. The Chairperson or Committeeperson will, however, with the approval of the supervisor of the department in which he/she is employed be permitted during regular working hours, without loss of time or pay, to leave regular duties for a reasonable period of time to investigate grievances or complaints,

The approval of the supervisor will be granted.

9.02 The rate of pay, for members of the Committee in conference with Management will be their regular rate, average rate, whichever is applicable.

9.03 It is agreed that the plant chairperson, with mutual agreement between Management and Local Union may be full time, with duties that are consistent with constructive management union relations.

Article 10 - Grievance Procedure

10.01 An employeewith the assistance of his/her committeeperson, having a grievance will discuss the matter with his/her supervisor, and the supervisor will give an answer to the employee. In disputes regarding standards, the Industrial Engineering Department will further investigate and advise both parties if the supervisor cannot resolve the dispute. Should the matter be unresolved following such discussion, it will be dealt with as speedily and effectively as possible in accordance with the following procedure:

{a) Step 1

The employee will state the grievance in writing on employee grievance forms to be supplied by the Company, and must normally sign the grievance, provided that it will be optional for the Company to decline to consider any grievance, the alleged circumstances of which originated or occurred more than seven (7) regular working days prior to its presentation. In the case of disputed standards, the time will be extended from seven (7) to ten (10) regular working days from the date the product is first run after issuing of the standard.

Any employee having a grievance dealing with a matter covered by this Agreement will, with assistance and signature of his/her committeeperson, submit the matter in writing to his/her

supervisor, who will return written disposition of the grievance to the committeeperson not later than two (2) regular working days after receiving it. In disputes regarding standards, the Company will answer the grievance no later than five (5) regular working days following receipt of the grievance; and during this time, both the Union time study representative and the Company will have an opportunity to fully examine and study the disputed standards.

(b) Step No. 2

If the decision of the supervisor is not satisfactory to the employee concerned the grievance will be placed upon the agenda for consideration at the next regular conference between the Company and the Master Committee. The Company (or in the case of a Company grievance, the Union), will give its written decision on the grievance within five (5) regular working days following such conference, and the matter may be referred thereafter to arbitration by the aggrieved party notifying the other party in writing of their desire to proceed to arbitration no later than forty-five (45) calendar days following receipt of the answer given following the meeting between the Company and the Master Committee.

10.02 Policy Grievance

The Chairperson or a committeeperson of the Master Committee or the Company may file a policy grievance. A policy grievance is one which alleges a misinterpretation or violation of a provision of this Agreement and which could not otherwise be resolved at lower steps of the grievance procedure because of the nature or scope of the subject matter of the grievance.

A grievance under this section will be lodged beginning at Step No. 2 no later than seven (7) regular working days following the date on which the alleged circumstances giving rise to the grievance originated or occurred; and may be referred thereafter to arbitration by the aggrieved party notifying the other party in writing of their desire to proceed to arbitration no later than forty-five (45) calendar days following receipt of the answer given following the meeting between the Company and the Master Committee.

10.03 Discharge or Suspension Grievance

The following special procedure will be applicable to a grievance alleging improper discharge or suspension of an employee.

- (a) The grievance may be lodged in writing beginning at Step No. 2 within five (5) regular working days of the discharge or suspension, If the decision is not satisfactory the grievance may be presented to arbitration as herein provided.
- (b) Prior to the discharge or suspension of any employee, Management will notify the committeeperson having jurisdiction, or in his/her absence, the Plant Chairperson, of the Company's intention.
- (c) Any employee being discharged or suspended will have the right to discuss his/her discharge or suspension with his/her committeeperson, Alternate Committeeperson, Alternate Chairperson, and/or Plant Chairperson prior to leaving the plant,

10.04 Arbitration

Prior to referring the matter to arbitration, either party may request the services of an independent private mediator in order to hear the grievance. Both parties must agree to this procedure. The cost will be split evenly between the union and company. The recommendations of the third party are not binding nor permitted to be used in arbitration.

The parties recognize those rights to expedited arbitration that exist under the Ontario Labour Relations Act.

The parties will advise each other prior to filing for expedited arbitration, prior notification requirements are not meant to delay the process, but rather to ensure the availability of the parties to address the requirements.

An Arbitrator will not have power to alter any employee's seniority standing except to confirm a severing of seniority as provided for under Clause 13.01.

Where arbitration of disputes dealing with work quotas or time standards are concerned the Arbitrator must be qualified by training to deal with such matters.

The parties to the grievance will be bound by the decision of the Arbitrator.

The Arbitrator will not have any jurisdiction to change any of the

provisions of this Agreement or to add any new provisions to it or to give any decision inconsistent with it. He will, however, in respect to a grievance involving a suspension or discharge, be entitled to modify or set aside such penalty, if in the opinion of the Arbitrator it is just and equitable to do so.

The Union and the Company will each be responsible for one-half of the expenses of and the fee payable to the Arbitrator.

Article 11 - Administration of Discipline

11.01 When an employee is called to an interview by a member of the staff of the Personnel Department or other Company representative for the purpose of investigating alleged misconduct which may result in suspension or discharge of an employee, the Plant Chairperson and/or Committee-person, or if absent, their alternates will be present.

11.02 No discipline, including termination, suspension, or warning, will be enacted after three (3) regular working days following the discovery of the incident. This three (3) regular working day period may be extended by mutual agreement, but in no event may it exceed fifteen (15) calendar days.

11.03 No such derogatory notation placed against the record of any employee will be used for the purpose of taking further disciplinary action against him/her after a period of twelve (12) months has elapsed following the Issuance of such notice. This expiry date will be entered on the disciplinary form. The twelve (12) month lapse rule on disciplinary action may be extended by mutual agreement of the Company and Union Local Bargaining committees in conjunction with the EAP Committee.

Article 12 - Seniority

12.01 Fundamentally the purpose of this Agreement in respect to seniority is designed to give the employee an equitable measure of security based on the length of service with the Company.

12.02 An employee will acquire seniority when he/she has worked thirty (30) days in a period of twelve consecutive months, after which time his/her name will be placed on the seniority lists as of the original date of employment or re-employment (Re-employment meaning former employees who sever, per Article 13.) This probationary period will be extended, when mutually agreed to by Management and Union, in the event of illness or injury.

12.03 Employees will be regarded as probationary employees until they have acquired seniority as above provided. It is understood by the parties that the Company can discharge a probationary employee provided the Company does not act in bad faith. It is understood that such standard is a lesser standard as contemplated by the Labour Relations Act.

12.04 The Company will prepare the seniority lists every six (6) months (November and May), and will **post them** in a suitable location in the plant. Each plant committee person will receive a copy of the list at the time of posting.

The Company will revise such list should errors or omissions be brought to its attention by employees or the Union, and accordingly the lists, together with any revision will be considered to be final and accurate for all purposes fourteen (14) working days (to include Statutory Holidays) following the posting of the list. If any particular seniority date cannot be settled within the fourteen days, it will not be considered to be final until resolved by the parties. Notwithstanding the above, if any errors are subsequently brought to the attention of the Company, the parties will **work** to resolve those errors. The Company will not be held liable for action taken on the basis of the seniority list prior to the error having been brought to the Company's attention. In case of dispute or challenge the Union will have the right to see the personnel record setting out the employee's date of hire.

12.05 A Master Seniority List showing the current seniority status of each employee will be available in the office of the Company, where it may be inspected at all reasonable times by the Master Committee. Where dates of employment are the same, seniority will be established on the basis of employee's position on the Master Seniority List.

Article 13 - Loss of Seniority

13.01 Seniority rights will cease for any one of the following reasons:

- (a) If the employee voluntarily quits the Company. It is agreed that when an employee quits, a copy of the quit slip will be **given** to the Union.
- (b) If the employee is discharged and such discharge is not reversed through the grievance procedure.

- (c) If any employee is absent from work for more than five (5) consecutive regular working days and fails to inform the Company or fails to make arrangements to secure leave of absence, unless he/she has a satisfactory reason. Exceptional cases may be given consideration.
- (d) If an employee is laid off for a period of fifty-four (54) consecutive calendar months.
- (e) If any employee who retires under the terms of the Pension Plan. This does not apply for disability retirements.
- (f) If an employee who has been laid off because of no work, fails to report within a period of ten calendar days when recalled by registered mail to his/her last known address on record with the Company. A copy of the letter will be given to the Union, prior to mailing. This ten day period will be waived, providing a reasonable and satisfactory explanation is given for not reporting, but in every case the employee must report within twenty-one calendar days. It will be the employee's responsibility to file with the Company a form (supplied by the Company at the time of layoff) setting out the address and telephone number at which he/she can be contacted for recall.
- (g) If the employee overstays a leave of absence without securing extension of such leave of absence from the Company in writing (Telegraph acceptable).

The loss of seniority results in termination of employment.

Article 14 - Exceptions to Seniority Provisions

14.01 In the event of an employee suffering a major disability or serious illness, exception may be made to the seniority provisions of this Agreement in favour of such employee if agreed on between Management and Master Committee. Such exception may include the displacement of a less senior employee where necessary.

Article 15 - Transfers From the Bargaining Unit

15.01 Any employee who transfers from the Bargaining Unit to a Company position not subject to the provisions of this agreement on or after March 15, 2001, will cease accumulating Bargaining Unit seniority. After 60 days from the date the employee left the Bargaining Unit, should

the employee remain in a job outside the Bargaining Unit, he/she will lose all seniority within the Bargaining Unit.

15.02 Seniority of Present Employees Excluded From Bargaining Unit

The Company will issue a letter to the Union at each plant setting out a list of employees not now in the bargaining unit, but who hold seniority standing in the unit. The letter will set out the employee's seniority as of the date of signing of the Agreement.

Article 16 - Abolition of Jobs

16.01 If a job is abolished then the employee, who at the date of abolition is regularly employed in such job, may exercise seniority within the appropriate bargaining unit where he/she is employed as defined in Article 1 for the purpose of obtaining another job therein.

Article 17 - Employees' Right to Transfer

17.01 In the event of a transfer of operations or work from one Bargaining Unit to another, the employees immediately affected will be given the right to transfer with such operation or work and will maintain all rights and benefits established by this Agreement. It will be understood that the employees affected will be first the employee whose job is affected. If the employee whose job is being transferred does decide not to go with job, then he/she may exercise his/her bargaining Unit seniority and it will be the junior employee in the Bargaining Unit who will have the right to be transferred to the other Bargaining Unit provided he/she has the seniority to maintain himself/herself in the Bargaining Unit to which he/she is transferred.

17.02 An employee working in any Division of the Company and covered by the Master Agreement who is employed out of seniority will have no transfer rights under this Article.

When the transfer of operations or work is of a temporary nature or in the event such is necessitated because of one of the Divisions is closed for vacation, the provisions of this Article will not apply. "Temporary" is hereby defined as **thirty (30) working days** and can be extended by mutual agreement.

Employees having transfer privileges will only exercise their right if the permanent transfer of operations or work requires additional employees (i.e. otherwise the recall of laid off personnel or the hiring of new employees) at the Division to which the operations or work are transferred.

17.03 Notwithstanding Article 8 of This Agreement

Step 1 All transfers, (including transfers resulting from plant closures), under this Article 17 will be discussed by Top Management and the Master Negotiating Committee in the First instance, when all details of the proposed transfers will be made available to the Master Committee.

Step 2 All such transfers will be discussed by the Local Management and Local Negotiating Committees of the plants involved.

Step 3 Immediately following the above, meetings will be held between the Local Management and the Local Committees of the Plants involved, to discuss the details and methods of the transfers to be made, such as, names of employees affected, seniority, eligibility, operations, work and dates.

Step 4 When the names of the employees affected by the transfer are known to the Company, they will be notified within seven calendar days by registered mail, copy to be given to Union prior to mailing.

Step 5 Eligible employees to be transferred will, within fifteen (15) calendar days after notice in writing from the Company, inform the Company in writing on forms (Triplicate) to be supplied by the Company of their intentions regarding the transfer.

Step 6 When the actual date of the transfer is known, the employees to be transferred will be given fifteen (15) calendar days notice in writing of the date he/she is expected to start work at the plant he/she is to be transferred to, at which time the employee will have three (3) regular working days in which to make his/her final decision as to whether he/she will accept the transfer or not.

Step 7 When final decisions are received by Management of a Plant, that employees have decided to accept the transfer, it will be the responsibility of the Management of the Plant that the employees are leaving to notify the Management of the Plant that the employees are going to that they will be reporting on a specific date in order that work will be available when the employee reports.

Step 8 An eligible employee who is to be transferred will not be transferred until such time as the work or operation starts at the Plant to which it has been transferred.

17.04 In the event that an operation is transferred to another of the Company's plants covered by this Agreement where appropriate job description and classification already exists, the employee who accepts the transfer will accept the rate of pay that prevails in the plant to which the operation has been transferred.

17.05 Where matters are involved in a Plant Closure Transfer situation which are not covered by the provisions of the Collective Agreement, the parties agree to negotiate a "transfer agreement" to cover such matters.

Article 18 - Preferential Hiring

18.01 Prior to hiring outside, the Company will offer employment in any bargaining unit covered by this Agreement to those employees including skilled trades or production groups who have been laid off from another bargaining unit covered by this Agreement, in accordance with the following:

- (a) There must be an available job which the Company anticipates will last at least thirty **(30)** days.
 - (b) The employee must be qualified to perform the available job.
 - (c) At the time of each layoff, except for temporary layoffs as defined in the Local Agreements, laid off employees will be solicited by the Company as to their willingness to accept employment in another bargaining unit covered by this agreement, and a list of such employees will be prepared.
 - (d) Employees on this list will be offered available jobs as they occur, and must accept such available job offers within twenty-four **(24)** hours of receiving the offer.
 - (e) Listed employees who refuse a job offer will have their names removed from the list.
 - (f) Employees laid off who either refused an offer or **declined** to be put on the list, will be added to the list at their request, when made in writing. Additions to the list will be put in order received.
- 18.02**
- (a) Any employee who accepts such opportunity will have seniority status as of the date of entry into the new plant, but will carry on previously accumulated seniority for all fringe benefit purposes.

- (b) If the employee is recalled to his/her original plant and he/she refuses or fails to return, he/she will maintain seniority accumulated from date of entry into the new plant, but will forfeit all seniority at the previous location.
- (c) Should the employee not be recalled, he/she will accumulate seniority from date of entry into the new plant.
- (d) Temporary Relocation Allowance
 - (1) Employees who transfer between Master plants and have not been declared a permanent transfer are eligible for a Temporary Relocation Allowance.
 - (2) Cumulative amount of Temporary Allowance cannot exceed employee amount as specified in relocation schedule.
 - (3) Monies are paid on a quarterly basis at the end of each quarter, based on 1/8 eligible amount. Quarters are prorated on weeks worked.
 - (4) Employees can declare a permanent transfer while receiving Temporary Allowance and receive the difference between the amount paid and the amount eligible.
 - (5) Employees laid off who subsequently take a permanent transfer will be eligible for full Relocation Allowance under Article 19.

Article 19 - Relocation Allowance

19.01 An employee whose seniority is transferred between the plants of the Company pursuant to this Article will be paid a relocation allowance provided:

- (i) The plant to which the employee is to be relocated is at least eighty (80) kilometers from the plant from which seniority was transferred, and,
- (ii) As a result of such relocation he/she changes permanent residence, and,
- (iii) He/she makes application within twelve (12) months after

commencement of employment at the plant to which he/she was relocated in accordance with the procedure established by the Company.

(iv) Employee must provide the Company with receipts to qualify for relocation allowance reimbursements,

19.02 The amount of the relocation allowance will be determined as follows:

Kilometers Between Plant Locations	Maximum Employee Allowance
80 - 159	\$ 1765
160 - 479	\$ 1945
480 - 799	\$ 2040
800 - 1599	\$ 2410
1600 or more	\$ 2770

19.03 In the event an employee who is eligible to receive a relocation allowance under these provisions is also eligible to receive a relocation allowance or its equivalent under any present or future federal or provincial legislation, the amount of relocation allowance provided under this Article when added to the amount of relocation allowance provided by such legislation will not exceed the **maximum** amount of the relocation allowance the employee is eligible to receive under the provisions of this paragraph.

19.04 Only one relocation allowance will be paid where more than one member of a family living in the same residence are relocated pursuant to this Article.

19.05 Where plants or operations are being closed or relocated; and the Canada Manpower Relocation program applies, the Company and the Union agree to cooperate in implementing all available aid through the program, and the limitations of Article 19.03 will not apply in such case.

Article 20 - Hours of Work and Overtime

20.01 The regular scheduled work week for each employee consists of five eight-hour days, Monday through Friday, inclusive. However, this is not to be construed as a guarantee of full employment. In the case of shift schedules starting on Sunday night, the beginning of the shift will

be construed as being a scheduled Monday shift for all intents and purposes.

20.02 All employees are eligible for two (2) ten-minute rest periods, during each scheduled eight-hour shift. All employees also have a five-minute wash-up period prior to the end of each half shift. In the case of continuous operations, the rest periods may be staggered.

20.03 Employees are eligible for a ten-minute rest period following the completion of the regular shift prior to the commencement of an overtime period, provided the employee is scheduled to work one hour or more and provided the employee receives one wash-up period of five minutes only taken at the completion of the overtime.

20.03(a) In reference to the additional rest period in 20.03, it may be taken either before or after the regular shift."

20.04 Employees who work a straight eight (8) hour shift or on a scheduled three-shift operation, will have an allowance of thirty (30) minutes for lunch and will have their lunch period paid for by the Company, unless otherwise mutually agreed to between the Union and the Company.

20.05 An employee will receive payment at the rate of time and one-half for all time worked outside scheduled hours as outlined in Local Agreements, and for all time worked on Saturday, and double time for all time worked on a Sunday. But notwithstanding anything contained in the Local Agreements, overtime payments will be made for any work performed outside an employee's eight hour shift as previously arranged.

20.06 An employee who for the convenience of the Company is required to perform work on a shift other than his/her regular scheduled shift as previously arranged will receive payment at the rate of time and one-half for time worked over eight (8) hours in any continuous period of twenty-four (24) hours. This clause applies only to the normal five day work week.

20.07 Where the Company has given at least forty-eight (48) hours notice of overtime to employees (and such notice will also be given to the committee person or alternate concerned) no employee may refuse to accept the overtime assignment except for compelling and legitimate personal reasons (which will be tendered to the Company at the time of

advice of the assignment) or the employee would have completed 48 hours of work during that week. An overtime assignment posted on the bulletin board will not be construed as acceptance of the assignment by the employee.

Where forty-eight (48) hours' notice is not given the overtime will be on a voluntary basis but he/she will nevertheless be charged with time worked as though he/she had worked the overtime.

20.08 Any employee who works more than eight hours in a continuous period will be paid at least time and one-half for all hours worked in such period in excess of eight hours.

20.09 There will be no pyramiding or compounding in the calculation of premium payments for overtime worked.

20.10 Except in emergencies, the Company will not schedule any employees to work in excess of twelve consecutive hours.

20.11

- (a) Overtime will be equitably distributed among those employees normally performing similar work in the same classification. In the administration of this clause the employee(s) who has the least overtime work will normally be allocated to the available overtime work, and in any case the Company will distribute overtime in any classification within a differential of sixteen hours of overtime work, unless prevented from so doing by matters outside the Company's control. The intent of this clause is to balance the overtime within sixteen hours whenever possible on a regular and recurring basis rather than balancing annually or every three years.
- (b) If the overtime to be worked is in excess of the amount which can be handled by the employees who are entitled to work, then additional employees with the least amount of overtime will be added per local agreement.
- (c) The Local Agreements will contain specific procedures for the allocation of overtime which will be subject to 20.11(a) and (b) above.

Article 21 - Reporting for Work and Normal Report-h

21.01 An employee reporting for work on instructions of the Company, but for whom no work at his/her regular job is available, will be offered

work in another classification at the prevailing rate for such classification, or will be paid for four (4) hours' time at the hourly rate he/she would have received, or four times average earnings as, if he/she had actually worked. This provision will not apply when such lack of work is due to a labour dispute within the Company's plants, fire, flood, or other cause beyond the control of the Company, or if the employee has failed to keep the Company informed of his/her current address and phone number where he/she might be contacted.

21.02 Emergency Call-In

Notwithstanding Article 20.05, when an employee has completed work on his/her regular shift, and left the plant, and is requested by the Company to return to work before his/her next regular shift to do emergency work such employee will be allowed to go home after any emergency work for which he/she was called, or which occurred after arrival, is finished and will be paid at the applicable overtime rate for hours worked, or three hours at the applicable overtime rate.

Article 22 - Safety and Health

22.01 The Company will maintain adequate sanitary arrangements throughout the plant, provide proper safety devices and give proper attention to the elimination of conditions of employment which are a hazard to the health or safety of the employees. The company, union and its employees will collectively seek to eliminate hazards in the workplace and take an active roll to prevent employees from getting hurt.

Both parties agree to recognize and make use of such specialized help as may be available through Corporate staff personnel, Union professional health and safety staff members, and Occupational Health and Safety Centre.

22.02 The Company will continue to supply such protective equipment and protective clothing as is required for the employee on his/her job.

22.03 No employee will be required to operate or use any machine, tool or die, that is not in safe working order and he/she will not be penalized if he/she refuses to operate such unsafe equipment.

22.04 There will be a Union-Company Safety Committee at Milton, and Chatham. Each committee will be set up as follows:

The Company will appoint three (3) representatives and the Union will appoint three (3) representatives. Both parties in making their

appointments will be motivated by the need for selecting people who will be best capable of promoting safety throughout the Plant. This committee will act in an advisory capacity. At least once per month, members of the safety committee will tour plant premises and compile a report of unsafe conditions which will be distributed to the Company and the Union. The committee will also review the previous month's lost-time accidents and make any recommendations to the Company which in its opinion are required to correct unsafe conditions or eliminate hazards. The Company agrees to pay for all **lost time** in reference to the above duties. The number of representatives may be increased at either facility based on local requirements.

22.05 The Company will provide adequate safety glasses to all employees (prescription glasses if required) at no **cost** to the employee.

22.06 All employees must wear foot protection either in the form of safety shoes or, protective toe caps. In consideration of the above, the Company will **subsidize** the purchase of safety shoes per contract year per employee to a maximum of **\$150** each year of the Agreement. The employee must purchase the shoes to qualify for the subsidy.

22.07 Proper lunch rooms, clean, well ventilated, and heated, will be provided, and space throughout the plant will also be provided for hanging employee's street clothes.

22.08 The Company will provide adequate parking facilities that are properly maintained within the limitations of its available land.

22.09 The Union - **Company** Safety Committee will make every effort to remedy unsafe conditionsto the satisfaction of any employee involved.

Article 23 - Injury on the Job

23.01 If an employee is injured on the job he/she will be paid for the balance of the shift on which he/she has been sent home or to an outside hospital or outside doctor by a medical officer of the Company because of such injury, irrespective of when the injury occurred, provided the employee cannot return to work. The injured employee will only receive one **(1)** payment for each injury.

Where an employee is placed on another job for the balance of the shift because of such injury, he/she will be paid his/her regular hourly rate, for time worked on the other job for the balance of the shift

23.02 The rate of pay will be the regular hourly rate or average rate of the employee.

23.03 If needed, the Company will supply transportation to the doctor, home or hospital on the first day of injury, and after treatment transportation to the plant and/or home.

Article 24 - Leave of Absence

24.01 Upon application to the Plant Management, leave of absence may be granted to an employee on the seniority list, without affecting seniority, for personal reasons. Such personal reasons will not include self-employment or other employment. Such leaves of absence may be granted retroactive to the first day of absence if necessary.

24.02 Leave of absence will be granted to an employee on the seniority list without affecting seniority, for reasons of sickness or accident. It is agreed that in the case of leave due to sickness or accident the Company will have the right to have the employee produce medical evidence in support of such leave. When such leave of absence is approved, it will be granted retroactive to the first day of absence.

24.03 Employees elected or appointed to positions in the Union may leave the plant on Union business and the employee will notify the Plant Management as far in advance as is possible.

24.04 Employees selected by the Union to attend Union conferences or conventions or delegations will be granted leave of absence provided the Union or Chairperson of the Unit gives at least twenty-four hours notice to the Management prior to such leave.

24.05

(a) An employee elected or appointed to a full-time position with the Union will, upon application and with at least thirty (30) days' notice, be granted Indefinite leave of absence. The employee's seniority will continue to accumulate during such leave.

During such indefinite leave, the Company will be under no obligation for payments on behalf of such employee for Life Insurance, Weekly Indemnity, O.H.I.P., or other fringe benefits. However, pension credits will continue to accumulate in accordance with the provisions of the Pension Plan.

(b) Employees who have acquired seniority of one (1) or more years who desire to further their education may make application for that purpose. One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve (12) months. Additional leaves of absence may be granted, by mutual agreement between the Company and the Union. Approval of such leaves of absence will be conditional upon the following:

- (1) Sufficient prior notice is given to the Company in writing
- (2) The Company is provided with evidence of acceptance into a formal education program.
- (3) The employee will be entitled to exercise his/her previous classification. If, however, he/she does not have sufficient seniority to return to his/her classification, he/she will exercise his/her group and plant-wide seniority accordingly.
- (4) The Company reserves the right to limit the number of such leaves.
- (5) Company paid benefits will cease for this period. The employee may elect to continue fringe benefits at his/her own expense.

24.06 Paid Education Leave

The Company agrees to pay into a special fund fifteen dollars (\$15.00) for each employee actively employed as of the last Friday of each June, September, December, and March during the period beginning March 15, 2001 through March 14, 2004 for the purpose of providing paid education leave for members of the Bargaining Unit, selected by the Union, to attend courses to upgrade skills in all aspects of Trade Union functions. Such monies will be paid on a quarterly basis commencing in January, 1981 into a trust fund established by the National Union, CAW, and sent by the Company to CAW Paid Education Leave Training Program, (to be added). It was further agreed that selectees will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees will continue to accrue seniority and benefits while on leave.

Article 25 - Bereavement Leave

25.01 The Company agrees to compensate employees for three (3) consecutive working days absence within a seven-day period ending with and including the second day following the date of the funeral at

their regular, non-premium rate of pay in the case of death of a mother (or step-mother), father (or step-father), husband, brother or sister, mother-in-law or father-in-law, brother-in-law or sister-in-law, grandmother or grandfather, grandchildren, great grandparents and step grandparents, daughter-in-law and son-in-law of the employee's (current) spouse. In the event of the death of current spouse or child (or step-child), the company will compensate employees for five (5) consecutive working days absence within a seven-day period. It is understood that the employee would have been otherwise scheduled to work on the day(s) in question and that he/she attends the funeral. The requirement to attend the funeral will be deemed to be met if the employee attends a specific memorial service, whether or not the employee cannot attend the funeral, he/she will, on request, be granted one day compassionate leave. Employees will be eligible for bereavement leave and pay during periods of vacation provided all other requirements of this paragraph are met. This leave will be taken immediately following such vacation period.

Article 26 - Jury and Witness Duty

26.01 An employee who has been summoned or subpoenaed and reports for jury duty; including coroner's jury, or has been summoned or subpoenaed and reports as a witness will be paid the difference, if any between the amount paid by the Crown and regular earnings. In the application of this clause, an employee working any shift other than days will for the purpose of Jury and Witness duty be placed on days as a spare person. When the requirement for Jury and Witness duty is not there for one day in the week, the employee will work that day shift. The employee will be eligible for weekday overtime in his/her own classification after all other employees in the classification have been asked. For weekend overtime the employee will return to his/her normally scheduled shift and posted classification. An employee wishing to stay on his/her shift may do so.

Article 27 -Apprenticeship Plan

27.01 The Company and the Union implemented an apprenticeship plan during the 1995 contract with the following parameters:

- i) Company retains the option to hire journeypersons
- ii) Company option to fill apprenticeship positions
- iii) Starting rate of 65% of the applicable journeypersons rate and progresses with experience.

- iv) Apprentices will work separate to journey person as experience is gained but under the direction of the journey person on shift.
- v) Eligible employees will be defined as employees working within **Meritor Chatham** and Milton Plants. The Company further agrees to jointly develop and implement an Apprenticeship Plan within the life of this Agreement with the assistance of the Director of Labour Relations.

Article **28** - National Service

28.01 In the event of any national **mobilization** program enacted by the Federal Government pursuant to the War Measures Act, the Company will **recognize** for employees ordered into such national service, such service as service with the Company for **pensions** and seniority purposes. Such commitment on the part of the Company will cease with the termination of such service or of the emergency period, whichever occurs first, and in no event will there be any duplication of benefits provided by the Federal Government.

It is agreed that an employee will have thirty **(30)** days (or any longer period of time permitted by the legislation) from date of discharge in which to report back to work.

Article **29** - Credit Union

29.01 Where a credit union mutually agreed to by the parties is established in a locality in which a plant is located, the Company will, when **authorized** by an employee, make payroll deductions to the Credit Union. However, it is understood and agreed between the parties that all such deductions will be made in accordance with the following provisions:

- (a) The deductions will be made only for the purpose of Credit Union savings and will be a minimum of One Dollar **(\$1.00)** and multiples thereof.
- (b) The employee will **authorize** the Company to make such deductions on forms to be supplied by the Credit Union.
- (c) Changes in the amount of deductions **authorized** by the employee will only be made quarterly beginning with the **effective** date of the agreement, and the employee will notify the Company one pay period prior to the pay period commencing each quarter, and will sign a new authorisation form stating the amount to be deducted.

- (d) The Company will forward to the Credit Union by cheque once each week the amounts checked off from each employee, which have been authorized, together with a list of those employees from which such deductions were made, including the clock number of each employee. Such deductions will be forwarded no later than five working days following the week in which deductions were made.

Article 30 - Pension Board of Administration

30.01 The Company agrees to pay for the time lost from work of any employee who is appointed to the Pension Board of Administration, while said employee is attending authorized Pension Board Meetings.

Article 31 -Weekly Pay

31.01 The Company will pay all employees weekly and their cheques will be in sealed envelopes. Where possible all cheques will be issued on Thursday.

The Company will provide employees, who so choose, the ability to electronically deposit their cheques.

Article 32 -Work Measurement

32.01 The Union recognizes that the establishment of production standards and the methods and means of establishing such standards are the function of Management subject to the terms and conditions of the Collective Agreement.

32.02 .If the parties agree, measured day work programs may be introduced at the Chatham Plant, and/or Milton Plant during the lifetime of this Agreement.

Article 33 - New Classifications

33.01

- (a) When the Company establishes a new job classification, the Union will be notified prior to the new classification being implemented.
- (b) Where the Company substantially changes the duties in a classification, the parties will discuss the changes and attempt to arrive at a mutual agreement prior to implementation.

33.02 In order to provide for appeal/grievance against a new classification or changes to an existing classification, the following procedure will be used:

- (a) The Union will lodge the appeal/grievance in writing to the Human Resources Manager or nominee no later than thirty (30) regular working days of operations following notification from the Company.
- (b) The appeal/grievance will outline the reason or reasons for disputing the description and the classification grouping.
- (c) Failing a satisfactory disposition of the appeal/grievance, either party may refer the matter of arbitration, as provided under Article 10 beginning at Step 2.

Article 34 - Skilled Trades

34.01 Skilled Trades for the purpose of this Agreement will be as listed in the Local Agreements.

34.02 The Skilled Trades as listed in the Local Agreement will mean any person

"A" Who is **recognized** on a Skilled Trade classification as of the date of signing of this Agreement.

DR

"B" Who has served a bona-fide apprenticeship of four (4) years or 8,000 hours and holds a government certificate which substantiates claim of such service.

OR

"C" Who has obtained UAW. or **CAW** Journeyman's Card.

OR

"D" Who has acquired eight (8) years acceptable experience and can **prove** same.

The Skilled Trades Representative and the Plant Chairperson will be shown proof of qualifications of all hires into the Skilled Trades classifications.

34.03 The Company will upon written **authorization** by the employee, deduct from the earnings of all skilled trades employees, the sum of one-half hour wages, including COLA, excluding shift premium, in the month of February, and such deduction to be forwarded to the Financial Secretary of the Local Union. New employees will have fees deducted from the first pay following receipt of written **authorization**.

Article 35 -Wages

35.01 General Wage Increases

Each employee covered by this Agreement will receive the following general wage increases in rate effective upon the dates shown:

March 15, 2001 - \$.45 per hour
March 15, 2002 - \$.45 per hour
March 15, 2003 - \$.50 per hour

These increases will be applied to the base rates and day rates as specified in Local Agreement.

SKILLED TRADES INCREASE:

March 15, 2001 - \$.45 per hour
March 15, 2002 - \$.45 per hour
March 15, 2003 - \$.50 per hour

35.02 Set Up

The parties agree that set up person will receive at least 15c/ per hour above the top regularly classified rate in the group under his/her jurisdiction.

35.03 The job classification, wage rates and provisions relating thereto will be attached to and form part of each Local Agreement and will be set out as a schedule.

35.04 It is the intention of the parties that jobs of like title and duties will carry the same rate of pay regardless of their plant location unless otherwise agreed to by the parties.

35.05 Starting Rates - New Hires

Effective January 1, 1987, the starting rate of each classification will be 85% of the maximum rate of the classification. Upon completion of 6 calendar months of active employment such employees will be paid 90% of the maximum rate of the classification. Upon completion of 12 calendar months of active employment such employees will be paid 95% of the maximum rate of the classification. Upon completion of 18 calendar months of active employment such employees will be paid the maximum rate for the classification to which they are assigned. Any active work during the month counts as a completed month of employment. This paragraph does not apply to Skilled Trades classifications.

Article 36 - Cost of Living Allowance

36.01 Each employee covered by this Agreement will receive a Cost-of-Living Allowance in accordance with the provisions of Article 36.05.

36.02 The Cost-of-Living Allowance will be determined in accordance with changes in the Consumer Price Index published by Statistics Canada (1986 = 100), hereinafter referred to as the Consumer Price Index.

36.03 The amount of Cost-of-Living Allowance in effect at the time will be included in computing overtime premium, shift premium, vacation payments, holiday payments, and any other compensated hours.

36.04 Effective March 15, 2001 (amounts to be determined) with respect to hourly rated jobs, sixty-six (\$0.66) of seventy (\$0.70) will be added to the regular hourly rate for each classification. The new Cost-of-Living Allowance in effect as of March 15, 2001 will be four cents (\$0.04).

Thereafter, during the period of this Agreement, adjustments in the Cost of Living Allowance will be made at the following times:

Effective Date of Adjustments

First pay period in July 2001, on or after publishing of the June, 2001, Consumer Price Index, and at three calendar month intervals thereafter to the first pay period in January, 2004, on or after the publishing of the December, 2003, Consumer Price Index.

36.05 Effective July, 2001 and ending with the first pay period in January, 2004. In each year of the Agreement, adjustments will be made in July, October, January, and April based on the preceding June, September, December and March indices respectively with adjustments made on the basis of 1c/ for each .0947 in the 1986 Index.

Beginning July, 2001, the amount of allowance due in each of the eleven three-month periods will be reduced by three cents (\$.03) or by the amount of the increase, whichever is less. However, there will be no reduction in any three-month period in which the cost of living is equal to or lower than the cost of living allowance in the preceding three-month period. The total sum reduced during the eleven (11) periods will be permanently subtracted from the cost of living allowance.

In no event will a decline in the Consumer Price Index below the March, 2001 level provide the basis for a reduction in the wage scale by job classification

-----Cost of Living Allowance-----
(Cents Per Hour)

Consumer Price Index (Based on 1986 Index)	\$ Per Hour	Consumer Price Index	\$ Per Hour
148.1	\$0.04	150.3	\$0.27
148.2	\$0.05	150.4	\$0.28
148.3	\$0.06	150.5	\$0.29
148.4	\$0.07	150.6	\$0.30
148.5	\$0.08	150.7	\$0.31
148.6	\$0.09	150.8	\$0.32
148.7	\$0.10	150.8	\$0.33
148.8	\$0.11	150.9	\$0.34
148.9	\$0.12	151.0	\$0.35
149.0	\$0.13	151.1	\$0.36
149.1	\$0.14	151.2	\$0.37
149.1	\$0.15	151.3	\$0.38
149.2	\$0.16	151.4	\$0.39
149.3	\$0.17	151.5	\$0.40
149.4	\$0.18	151.6	\$0.41
149.5	\$0.19	151.7	\$0.42
149.6	\$0.20	151.8	\$0.43
149.7	\$0.21	151.9	\$0.44
149.8	\$0.22	152.0	\$0.45
149.9	\$0.23	152.1	\$0.46
150.0	\$0.24	152.2	\$0.47
150.1	\$0.25	152.3	\$0.48
150.2	\$0.26	152.4	\$0.49

Consumer Price Index	\$ Per Hour	Consumer Price Index	\$ Per Hour
152.5	\$0.50	155.1	\$0.78
152.6	\$0.51	155.2	\$0.79
152.6	\$0.52	155.3	\$0.80
152.7	\$0.53	155.4	\$0.81
152.8	\$0.54	155.5	\$0.82
152.9	\$0.55	155.6	\$0.83
153.0	\$0.56	155.7	\$0.84
153.1	\$0.57	155.8	\$0.85
153.2	\$0.58	155.9	\$0.86
153.3	\$0.59	156.0	\$0.87
153.4	\$0.60	156.1	\$0.88
153.5	\$0.61	156.1	\$0.89
153.6	\$0.62	156.2	\$0.90
153.7	\$0.63	156.3	\$0.91
153.8	\$0.64	156.4	\$0.92
153.9	\$0.65	156.5	\$0.93
154.0	\$0.66	156.6	\$0.94
154.1	\$0.67	156.7	\$0.95
154.2	\$0.68	156.8	\$0.96
154.3	\$0.69	156.9	\$0.97
154.3	\$0.70	157.0	\$0.98
154.4	\$0.71	157.1	\$0.99
154.5	\$0.72	157.2	\$1.00
154.6	\$0.73	157.3	\$1.01
154.7	\$0.74	157.4	\$1.02
154.8	\$0.75	157.5	\$1.03
154.9	\$0.76	157.6	\$1.04
155.0	\$0.77	157.7	\$1.05

[Continued]

Article **37** - Shift Premium

37.01 An employee will be paid an hourly premium in addition to his/her regular hourly rate for working the afternoon shift and an hourly premium in addition to his/her regular rate for working the midnight shift. The afternoon shift will be known as the No. 2 shift, and the midnight shift will be known as the No. 3 shift. Overtime will not be paid on the shift premium.

37.02 Effective March 15, 1998 the following will apply:

Afternoon or No. 2 Shift	Night or No. 3 Shift
\$.50	\$.55

Article **38** - Holiday Pay Plan

38.01 Employees in the bargaining unit will be paid for the holidays as set out in clause 38.02 provided they qualify under the eligibility requirements as set out in clause 38.03.

38.02 (a) The following holidays will apply for the period March 15, 2001 to March 14, 2002.

Good Friday	April 13, 2001
Easter Monday	April 16, 2001
Friday before Victoria Day	May 18, 2001
Victoria Day	May 21, 2001
Canada Day	July 2, 2001
Civic Day	August 6, 2001
Friday before Labour Day	August 31, 2001
Labour Day	Sept 3, 2001
Thanksgiving Day	October 8, 2001
Christmas Holiday Period	December 24, 2001 December 25, 2001 December 26, 2001 December 27, 2001 December 28, 2001 December 31, 2001 January 1, 2002 January 2, 2002

(b) The following holidays will apply for the period March 15, 2002 to March 14, 2003:

Good Friday	March 29, 2002
Easter Monday	April 1, 2002
Friday before Victoria Day	May 17, 2002
Victoria Day	May 20, 2002
Canada Day	July 1, 2002
Civic Day	August 5, 2002
Friday before Labour Day	August 30, 2002
Labour Day	Sept 2, 2002
Thanksgiving Day	Oct 14, 2002
Christmas Holiday Period	Dec. 23, 2002
	Dec. 24, 2002
	Dec. 25, 2002
	Dec. 26, 2002
	Dec. 27, 2002
	Dec. 30, 2002
	Dec. 31, 2002
	Jan. 1, 2003
	Jan. 2, 2003

(c) The following holidays will apply for the period March 15, 2003 to March 14, 2004:

Good Friday	April 18, 2003
Easter Monday	April 21, 2003
Friday before Victoria Day	May 16, 2003
Victoria Day	May 19, 2003
Canada Day	July 4, 2003
Civic Day	August 4, 2003
Friday before Labour Day	August 29, 2003
Labour Day	Sept 1, 2003
Thanksgiving Day	Oct 13, 2003
Christmas Holiday Period	Dec. 24, 2003
	Dec. 25, 2003
	Dec. 26, 2003
	Dec. 29, 2003
	Dec. 30, 2003
	Dec. 31, 2003
	Jan. 1, 2004
	Jan. 2, 2004

38.03 (a) The employee has completed probationary period and holds seniority as of the date the holiday is observed.

(b) An employee who completes probationary period will be paid for **holidays** which were observed during probationary period provided he/she has met all **eligibility** requirements except (a).

(c) The employee has worked on his/her last scheduled working day prior to the day of observance, and on the next scheduled working day following the day of observance, and one of these qualifying days must be within **twenty (20)** regular working days of the day of observance.

Notwithstanding the normal qualification of twenty (20) regular working days, where an employee is absent due to approved sick leave or **authorized** leave of absence or Workmen's Compensation, one of the days of **qualification** must be within sixty (60) calendar days of the day of observance.

For each Christmas Holiday period, the employee must have worked on the last scheduled work day prior to each holiday period and on the next scheduled work day after each holiday period, except for absences for approved sick leave or **authorized** leave of absence or Workmen's Compensation. **Failure** to work on either the last scheduled work day prior to or on the next scheduled work day after each Christmas Holiday period will disqualify the employee for pay for the two holidays in the Christmas Holiday period which **follow** or precede such scheduled work day, however, the employee will be eligible for the remaining holidays of the Christmas Holiday period.

38.04 An Employee absent without permission on one of these qualifying days will not be paid for the Statutory Holiday or the series, whichever is **applicable**, with the exception of the Christmas Holiday period series covered in article 38.03 above. For the purpose of this clause premium **paid** days will not be **recognized** as scheduled **working** days.

38.05 (a) When one of the above holidays is observed **within** an eligible employee's approved vacation period, and he/she is absent from work **during** his/her regularly scheduled work **week(s)** because of such vacation, he/she **will** be paid for such holiday, and will be required to take a **day(s)** off in addition to such payment, however the Company will require concurrence as to what preplanned day(s) off and approved copy to be forwarded to the union office.

(b) No payroll deductions will be taken from a cheque for less than sixteen (16) hours.

38.06 Employees eligible under these provisions will receive equivalent of eight hours at regular straight time rate of pay or regular hourly rate based on the previous pay period for each such holiday, excluding off **shift and** overtime payment. Christmas **Holiday pay will** be based on the week ending with the first Saturday in December.

38.07 Notwithstanding Clause **38.04**, when an employee works on a day which is being observed as a Holiday, he/she will be paid for the Holiday and in addition will be paid **at the** rate of double time for hours of work performed on the day.

Employees who have accepted such holidaywork assigned and then fail to report and perform such work, without reasonable cause acceptable to Management, will not receive pay for the holiday,

38.08 When it is necessary to schedule work on a paid holiday it is agreed that notice posted on the bulletin boards will not be construed as acceptance of the assignment by the employee. An employee who does not work on a paid holiday without first indicating acceptance will not be subject to disciplinary action.

Article 39 -Vacation with Pay Plan

39.01 Each employee will receive an annual vacation in accordance with the following provisions.

39.02 All employees' lengths of current seniority for purposes of this clause will be determined as of July 1st to June 30th.

39.03 The vacation year will mean July 1st to June 30th.

39.04 Calculations for payment of vacations will be based on the following periods:

Chatham: January 1st to December 31st of the preceding calendar year.

Milton: July 1st to June 30th immediately preceding the vacation year.

39.05 The following vacations with pay will be granted: (see letter addressing vacation bonus plan)

- (a) Employees with less than **one year's service** — as per Employment Standards Act.

- (b) Employees with **one year** or more, but less than three **years' service** — two weeks' vacation at **4%** of gross annual earnings, plus **\$200.00**.
- (c) Employees with three years or more, but less than five years' service — two weeks' vacation at **4%** of gross annual earnings, plus **\$200.00**.
- (d) Employees with five years or more, but less than ten **years' service** — three weeks' vacation at **6%** of gross annual earnings, plus **\$200.00**.
- (e) Employees with ten years or more, but less than fifteen years' service — four weeks at **8%** of gross annual earnings, plus **\$200.00**.
- (f) Employees with fifteen or more years of service — four weeks' vacation at **8%** of gross annual earnings plus **\$200** payment.
- (g) Vacation cheques will be available on request no later than July **15** for the Milton plant and by the end of January for the Chatham plant.

39.06 (a) For employees with more than twenty (**20**) **years' service**, a vacation bonus equivalent to one week's (**40** hours) pay **at their** regular rate of pay or **2%** of previous year's earning in Chatham and Milton will be paid in lieu of extra vacation.

(b) Employees with **20** years or more of service may apply and be eligible for a fifth week of vacation by submitting a request for such vacation period in writing to the Personnel Department

(c) Employees with **25** or more years **service** will be eligible for **\$200.00**.

39.07 For the purpose only of computing vacation pay of an employee who was in receipt of compensation under the Worker's Compensation Act, or sickness and accident insurance, **during** any part of the year for which the vacation is granted, the Company will add to the amount of wages which he/she actually earned a sum equal to the average hourly rate of wages for the part of the year during which he/she did work, **multiplied by the** number of hours he/she was in receipt of Worker's Compensation or sickness and accident insurance, as the case may be, during the year. In no event will such an employee's vacation pay exceed the amount he/she would have been paid had he/she not been absent.

39.08 All eligible employees are required to take their total vacation allowance (which includes any statutory holidays contained during vacation weeks) within the vacation year (July 1st to June 30th).

The time of vacation will be **at the** discretion of the Company, but in all cases eligible employees will receive two continuous weeks of vacation per the following schedule:

2001 - week of July 2 to and including week of August 27

2002 - week of July 1 to and including week of August 30

2003 - week of June 30 to and including week of August 25

The Master Committee of each Local will be given notice of the vacation schedule **as soon** as possible **at the** beginning of each calendar year, but no later than April 15th when the schedule will be posted in final form.

Problems that may arise in connection with the taking of vacation will be discussed with the Union Committee at the Local level.

39.09 A vacation week will imply an absence of the employee for seven consecutive calendar days, commencing on a Monday, and the splitting of a vacation week will only be allowed to meet an operating emergency after the matter has been discussed with the Union.

Article 40 - Contracting Out

40.01 It is agreed that the Company will not contract out work to be performed which work is now performed by bargaining unit employees and which contracting out would result in the layoff of bargaining unit employees.

40.02 In the area of maintenance, however, the parties **recognize** that equipment suppliers and jobbers may have their employees install and/or service such equipment according to past practice.

40.03 The Company agrees to notify the Plant Chairperson or his/her alternate and the Skilled Trades Representative or an alternate prior to any work being contracted out.

Article 41 - General

41.01 In the event of any conflict between the provisions of this Agreement and any Local Agreement between the Company and the

Union, whether or not the National Union is a signatory or party to such agreement, the **provisions** of this Agreement will **prevail**.

Article 42 - Non-Discrimination

42.01 The Company and the Union agree that there will be no **discrimination**, interference, restraint, or coercion exercised by either of them or by any of their respective representatives, with respect to race, sex, color, religion, dependents, or membership or non-membership in or connection with or lack of connection with the Union. Parties agree to abide by the Human Rights Code.

Article 43 - Benefit Programmes

43.01 The following benefit programs are set out as a supplement and form part of this Agreement.

(a) Supplemental Unemployment Benefit Plan

(b) Pension Plan

(c) Medical Insurance, Drug Insurance, Hospitalization Insurance, Weekly Indemnity, Life Insurance, Dental and Vision Care Insurance.

43.02 No matter in respect to the Pension nor the Supplemental Unemployment Benefit Plan will be subject to the normal grievance procedure, but will be determined under the **review** provisions of the plans as contained herein.

Article 44 - Metric Tools

44.01 The Company agrees to make metric tools available for employees as may be necessary

Article 45 - Technological Change

45.01 Where the Company introduces technological changes or automates its plant processes and such changes affect the content of jobs held by bargaining unit personnel, the company agrees to fill such new or changed jobs with bargaining unit personnel and accordingly to sponsor or carry out such training as may be required to enable employees to fill such jobs.

Article 46 - Effect of Letters

46.01 The parties agree that all letters attached to and supplemental to this Agreement are hereby made a part of this agreement.

TERMINATION

This Agreement will continue in effect until the 14th day of March, 2004 and unless either party gives notice in writing to the other party that amendments are required, or that the party intends terminating the Agreement, then it will continue in effect until the 14th day of March, 2005, and so on from Year to Year thereafter.

Notices that amendments are required, or that either party intends terminating the Agreement must be submitted within three (3) calendar months prior to the 14th day of March, 2004 or of any Year thereafter.

The parties hereto agree to meet for the purposes of negotiations within fifteen (15) days after the submission of such notice, and if as a result of such negotiation the parties fail to negotiate a new agreement or modification of the present Agreement prior to the 14th day of March following the day of such notice, then this Agreement will be terminated on the 14th day of March. The terms and conditions of this Agreement may be extended by mutual consent with a view to reaching final agreement. It is understood that during negotiations, following upon notice of termination or notice of amendment, either party may bring forward counter proposals rising out of, or related to, the Original proposals.

Duly executed by the parties hereto this 23rd day of November, 2000

FOR THE COMPANY

Glenn Bartholic
Gary Strickland
Chuck Weisbaum
Chris Johnston
Harold MacKinnon
John Gates
Pete Brennan
John Gooch
Jim Hall
Gino Negri

FOR THE UNION

Robert Jenner
Robert Jenner
Gord Allen
Brad Gillis
Charlie Formosa
Gord Adams
Gob Tope
Stan Karnas
George Ryan (trades)
Mark Woodrow
Tom Currie (trades)
J. Kenney

APPENDIX "A"

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No. 1
November 23, 2000

Mr. Robert **Jenner**
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. **Jenner**:

During hot weather periods the Company will continue its past practice of excusing employees from work due to unusually high temperatures in their work areas. It is further agreed that S.U.B. will not be paid in such situations.

Sincerely,

Harold **MacKinnon**
Human Resources Manager
Chief Spokesperson



No. 2
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

This letter sets out the intention of both parties to cooperate in the rehabilitation of employees with drug, alcohol or similar problems through joint action at the plant level and working with social agencies in the area.

It is understood that where appropriate, employees will be continued on S. and A. benefits and/or on leave of absence in order to aid in their rehabilitation.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 3
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The Company and the Union agree that all Employment Insurance premium credits resulting from the Weekly Indemnity Plan being qualified under the regulations at the E.I. will flow solely to the Company.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 4
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

As agreed during the 1997 negotiations, the 1974 letter on the following items is updated.

1. The definition of disability under the Weekly Indemnity program will be broadened to cover absences resulting from elective surgery if such surgery is covered by OHIP.
2. Employees required to travel more than 20 kilometers (one way) for a medical examination ordered by the insurer will be reimbursed at the applicable mileage rate.
3. Employees cleared for return to work by their personal physician but who are not allowed to return to work by the plant physician will continue to receive weekly benefits subject to the maximum benefit duration.
4. The insurer will provide certificate booklets to each employee outlining the employees' rights and obligations under the insurance policy. This booklet will not take away from the Collective Agreement.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 6
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The Company will continue to arrange **with the** insurer, coverage to pay physicians, or to reimburse patients, for covered medical-surgical and hospital expenses incurred under certain circumstances outside the patient's province of residence.

Benefits will be provided under such coverage upon submission of proof satisfactory to the insurer that a member received covered services out of the province of residence because of **accidental injury or emergency medical-surgical** services.

The benefit payment for covered medical-surgical expenses incurred will equal the fee charged for such services less the fee scheduled under the applicable provincial medical-surgical plan for the covered services received, but **only to the extent that the fee** charged is reasonable and customary **in the** area where covered services are received.

The **benefit payment for** covered hospital expenses incurred will equal the hospital's charge for covered services in semi-private accommodation less the sum of the payments made by the applicable provincial and supplementary hospital plans.

"Covered services" will be those medical-surgical services for which a fee is scheduled under the fee schedule of the applicable provincial medical-surgical plan and those hospital services for which a benefit is provided under the ward coverage of the applicable provincial hospital plan.

"Hospital room and board" charges which are primarily for custodial or chronic care are not covered medical expenses.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 7
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

As agreed during the 1983 negotiations preceding the renewal of the Collective Agreement, the following letter on S.U.B. is being updated, which was originally signed on December 13, 1968 at Toronto.

"Where personnel are sent home due to lack of work, and such lack of work is within the control of the Company, then the Company will pay Short Work Benefits for hours lost during the regular work week, (No employee will receive a short work week benefit in any shift he/she received eight hours pay or more.), even though the employees as a result of the breakdown might work Saturday and/or Sunday and thus may have worked forty (40) hours or more in any calendar week. However, even in this situation, if overtime for Saturday and/or Sunday has been scheduled before the breakdown occurred, and forty (40) hours of work are available, the employees will not qualify for Short Work Week Benefits."

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 8
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

This letter will outline the arrangement governing payment for the Master Negotiating Committee Person for the current Master negotiating meetings.

Committee members from the Chatham and Milton facilities while at negotiations will be paid their normal pay had they otherwise been at work in their respective plants.

In addition, when negotiating meetings continue past the evening dinner hour or reconvene in the evening, committee members will be paid for any meeting hours beyond 5:30 p.m. at the rate of time and one half.

Meetings held for the purpose of negotiations on weekends will be paid at applicable overtime rates. Further, negotiations committee members will be paid for lostweekend overtime opportunities had they otherwise been at work and in a position to accept such overtime work.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 9
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

In the negotiations resulting in this Agreement, the parties discussed the inclusion of Local Union No. 35, Chatham Office and Clerical Employees, in this Master Agreement. It was agreed that, although Local No. 35 is not a part of this Master Agreement, the Chairperson of the Local 35 Office Union will be eligible to participate in future meetings and negotiations between the Master Negotiating Committee of the Union and the Company.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 10
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During negotiations resulting in this Agreement, the parties discussed the potential inconveniences caused by overtime cancellations with short notice. The Company recognizes the importance of minimizing any personal scheduling inconvenience and will make every effort to advise employees subject to overtime cancellation of that situation 24 hours in advance.

Sincerely,

Harold MacKinnon
Humans Resources Manager
Chief Spokesperson



No. 11
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the current negotiations the Union requested clarification of the procedure to be followed regarding the computation of overtime hours for Short Work Week benefits for employees working under medical restrictions.

As a result the Company and Union have agreed that:

Overtime hours, which an employee is prohibited from working due to written restrictions concerning the number of hours that the employee could work on a given day or in a given week as imposed by the employee's personal physician (and concurred in by the Company doctor) will not be considered as hours made available by the Company for purposes of Section III, Article 3, 3.01 of the Supplemental Unemployment Benefit Plan.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 12
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During negotiations, the Union expressed concern over possible abuses of Article 3 "Work by Supervisors and Salaried Personnel". In addressing this subject, the Company agrees to implement the following procedures should the Union feel a violation has occurred:

- (1) Committee person will discuss the incident with the individual(s) concerned at the time of occurrence. If response not satisfactory;
- (2) The plant chairperson and/or committee person will address the issue to the plant superintendent. If response is not satisfactory;
- (3) The Union will present the issue to the local Human Resources Manager and be included in the next Agenda Meeting. At this meeting the individual(s) involved will be present;
- (4) If the issue is not resolved at the local Agenda Meeting, it will be communicated in writing with sufficient detail to both the CAW National Representative and the Director Human Resources, LVS, Troy, Michigan, for inclusion in the next Master Meeting.

The above procedure does not circumvent or restrict the Union's right to grieve the issue under the Grievance Procedure.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 13
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the 1983 contract negotiations, the Union expressed concern about the Company's contracting out and its effect on employment in the Master Agreement facilities. As we have explained to you during our discussions, our basic business philosophy is to do work in-house where it can be justified.

It must be recognized that contracting out decisions are made in order to remain competitive by lowering our overall costs. These decisions provide our businesses a better opportunity to achieve a competitive posture which provides job security for our employees.

It is essential for the Company to possess the flexibility to contract out in order to lower the overall costs or because of the lack of special skills or special equipment, etc. In those cases where contracting out is contemplated, the Company will notify and discuss with the Union in advance of the contracting action.

During the first week of each month, the Company will discuss with the Plant Chairperson and Skilled Trades Representative all known tooling and related work issues planned for the upcoming month. The objective of this review is to better enable the department to co-operatively decide on the assignment of work.

The Meritor Manager of Labour Relations will immediately request and review a detailed written procedure from each plant in the Canadian Master Agreement within thirty (30) days of ratification to ensure the Company adheres to the intent of our discussions concerning contracting out.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 14
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The parties discussed during the 1985 contract negotiations the issues related to outside contracting and the training of skilled trades personnel on new and existing equipment.

The parties **recognized** the need to upgrade the skill levels of the skilled trades personnel in each plant to the point where the skilled trade employees may properly service, repair and maintain the existing and future equipment in the plants.

To ensure there is no abuse of outside contracting, which may be used to avoid training of in-plant personnel in the skilled trades area, the following commitments will be implemented in the Master plants:

A) The Company will ensure all appropriate skilled trades personnel are properly trained on any new piece of equipment and/or machine installed in their respective plants. This training may require the visitation to vendor facilities or may be done in-house.

B) The Company will ensure skilled trades personnel interface with outside contract personnel in the plants when there are specific skills which our skilled trades personnel would be required to learn from the outside vendor.

C) The Company agrees to advise and discuss with the skilled trades representative and the Plant Chairperson prior to any outside vendor working in the plants.

D) In the event an outside contractor is involved in the modification, new **installation** or updating of any current piece of equipment and/or machinery, the appropriate skilled trades personnel will be advised of the changes and/or **modifications** made. This will ensure the skilled



trades person will be able to properly maintain the equipment in question.

E) In the event of an emergency situation, the Company will advise the on-shift skilled trades committeeperson of the nature of the problem, and what, if any, outside services are needed to resolve the issue to avoid any prolonged down time.

F) Any prints, maintenance manual or library reference data will be made available at all times to the appropriate skilled trades personnel, so they may properly service company equipment.

Should the *Union* Committeeperson in *either* plant feel the *intent or spirit* of the above has not been fulfilled, the following action will occur:

A) The skilled trades representative will discuss with the local Manager of Industrial Relations the nature of the problem and work to resolve it forthwith. Should this action fail to resolve the problem, then,

B) The Plant Chairperson and the Skilled Trades representative will request a formal meeting with the Plant Manager and the other Management personnel concerned. Should this action fail to resolve the problem, then,

C) The National Representative of the *CAW*, the Plant Chairperson and skilled trades representative may request in writing a formal meeting to be held with the Labour Relations Manager from Troy, the General Plants Manager, and the other Management personnel concerned.

The above action does not circumvent the Union's right to utilize the grievance procedure.

The Company is committed to the upgrading and training of the appropriate skilled trades personnel as required. However, the skilled trades personnel must be personally committed to the training program as agreed to by the parties.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 15
October 16, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the negotiations resulting in this Agreement, the parties agreed that at future negotiations a skilled trades representative may be added to the plant and/or master bargaining committees when specific issues related to the trades are being discussed.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 16
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The parties discussed the issues related to Article 20.05, during the 1985 negotiations, as it related to the changing of employees' shift after the work week has begun.

To avoid a future problem the Company agrees to implement the following procedure:

- A) The employee will be notified in advance of the change.
- B) The Company will discuss the proposed change with the area committee person in advance.
- C) The posted Manpower List(s) will be adjusted to reflect the change.

If the above procedure is followed, then the employee will be paid the appropriate overtime rate for the first day of the shift change. In the event the Company fails to follow the above, then the employee in question will be paid the appropriate overtime rate for the balance of the week in which shift was scheduled.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 17
November 23, 2000

Mr. Robert **Jenner**
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. **Jenner**:

This will confirm our understanding of Nursing Home Care benefits. The current insurance program provides coverage for nursing home care if the facility is licensed and approved as defined by the Nursing Homes Act of Ontario, is supported by funds from the Ontario Ministry of Health, and is for medically necessary treatment for chronic care.

Sincerely,

Harold **MacKinnon**
Human Resources Manager
Chief Spokesperson



No. 18
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the 1988 contract negotiations the parties agreed Article 35.04 of the Master Agreement would have no effect in determining wage rates in the plants covered by this collective agreement with respect to the conversion of incentive to day rate fobs in Chatham unless mutually agreed to by the parties.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 19
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

Subject: Minimum Legislation

During the course of these 1997 negotiations the Company and Union addressed concerns regarding legislative changes that have taken place or will soon be taking place.

For example, it was agreed that:

Notice of Layoff shall be in accordance with the Employment Standards Act, R.S.O. 1990

Pregnancy leave, adoption leave and parental leave will be granted in accordance with the provisions of the Employment Standards Act, R.S.O. 1990

Benefit continuation during pregnancy, parental and adoption leave will be governed by the provisions of the Employment Standards Act, R.S.O. 1990

The parties agree to comply with Section 43 of the Occupational Health and Safety Act, R.S.O. 1990

It is further agreed that the Company will comply with the provisions of the Occupational Health and Safety Act, R.S.O. 1990 and its regulations in effect as of March 1997. The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act, and Regulations made thereunder, as they existed on June 4, 1994, as the same relates to the Union, the Company and/or its employees, shall be minimum requirements incorporated within this collective agreement; however, where this collective agreement provides higher remuneration in money or a greater rate, benefit, term or conditions of employment in favour of an employee(s) with respect to a particular standard, this collective agreement shall prevail.

Sincerely,

Harold MacKinnon
Human Resources Director
Chief Spokesperson



No. 20
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the course of the 1997 contract negotiations, the parties agreed to schedule a minute of silence each April 28th in remembrance of injured workers.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 21
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The Company agrees to **certification** training as specified by the provisions of Bill 208 and the Occupational Health and Safety Act for the following persons in **Chatham** and Milton:

- Plant Chairpersons
- Co-Chairpersons of the J.H.S.C.
- Two members of J.H.S.C. (1-Union, 1-Company)

Previous training will be credited towards the certification requirements, if such training has been **recognized** by the **Ministry** of Labour. Joint Health and Safety Committee members will receive training as required to fulfill their responsibilities as committee members.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 22
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

Subject: Weekend/Holiday Labour Pool

It was agreed during the 1997 negotiations that the Company could supplement the weekend/ holiday workforce through an outside labour pool when insufficient number of current active employees accept the overtime assignments.

This labour pool will be comprised of the following two groups of workers:

Any laid-off employee will be given the opportunity to sign up for the weekend labour pool. Laid-off employees who have registered with the labour pool will be canvassed in seniority order by the Company to work. They will be paid at their respective job rates at applicable overtime premiums. They will pay Union dues when they accumulate 40 hours of pay in one month. Annually, the Company will credit them with the applicable credit service hours for pension on an hour-for-hour basis for time worked.

The remaining pool of weekend / holiday workers will be comprised of previously employed summer students, workers being considered for full-time employment and general labour pool workers. These workers will register with the labour pool. They will receive \$18.00 per hour and receive 1 1/2 pay for hours worked in excess of 8 on a Saturday and double time for hours worked in excess of 8 on Sundays and holidays. They will pay union dues when they have acquired 40 hours of work within the month.



No worker in the labour pool will accrue seniority, be paid insurance benefits, accrue other benefits (except for those mentioned above) or be considered recalled from a lay-off status.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 23
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The parties discussed the issue of a Skilled Trades employee on layoff when the need arises for additional Skilled Trades because of prolonged illness, vacation, or other prolonged absence.

The Company agrees to return the Skilled Trades employee to fill the above vacancies provided the need is of a determined length and the employee recalled is qualified. The returned employee will get credit for purposes of layoff benefits on a time-for-time basis.

When such employees are returned to work for defined term and task (as per Employment Standards Act), such return will not constitute a recall, but pension credits will accrue for time worked.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 24
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the 1997 negotiations the parties discussed the ever increasing challenges in the automotive industry with the mutual recognition that these challenges in the marketplace will require fundamental changes in the work place. The parties **recognize that the** success of any business is dependent **upon the full** commitment and involvement of its employees. The successful organisation understands that people **want to** be involved in decisions that effect them and care **about their jobs**. The parties understand that there needs to be trust and mutual respect in order to create an environment that is reliable and profitable and delivers value to our customers. This environment must balance the needs of customer, union, management, and business.

The parties in recognising these needs agree to establish a joint management union committee at each **plant to actively pursue this** new direction of organisational redesign. The redesign process involves a participative approach of **mutual respect** where the people who are part of the **organization analyze** and develop what changes are necessary to have a high performance organisation.

Redesign must meet the needs of the customer, business, and employees. Accomplishment of these needs will result in greater customer focus, improved quality, effective **utilization** of resources, improved **thru** put for on-time delivery, employee involvement, and long-term profitability. This will give **greater job security** for all employees. Should the **joint** committee need to make contractual changes based on the joint committee's design, than such changes must be submitted to the joint master committee for approval.

The parties **recognize** that redesign cannot succeed unless both parties come together in a relationship of mutual trust, cooperation, and respect. All programs by design must be jointly developed, implemented, and evaluated.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 25
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

Subject: Summer Students
SUMMER STUDENTS
(April 15 through September 30)

Summer Students working the period of April 15th through September 30th on a Summer assignment will be compensated at a rate of 85% of the classification in which they work and will be compensated in regards to premium pay as per the Collective Agreement. Preference will be given to qualified employee's children.

It is also understood these employees will not acquire seniority, nor be eligible for any Company paid full-time employee benefits.

It is agreed that Summer Students may be utilized for weekend or holiday overtime assignments provided eligible employee(s) have been offered all available hours according to Article 5.

These workers will be required to pay Union Dues

These employees will be paid according to the rates listed in Schedule 'A' Milton, and Chatham Wage Schedule.

Sincerely,

Harold MacKinnon
Human Resources Director
Chief Spokesperson



No. 26
November 23, 2000

Mr. Robert Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The Company will grant leave of absence without pay not exceeding one hundred and eighty (180) days to an employee for the time during which he is serving sentence of imprisonment imposed on a conviction arising from the operation or use of a motor vehicle.

Sincerely,

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 27
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

During the 1997 negotiations it was agreed the company will grant with pay two (2) day spousal leave for birth or legal adoption. These days will be paid at straight time.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 28
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

Subject: Workplace Harassment

The Company and the CAW are committed to providing a harassment free workplace. Harassment is defined as a 'course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome', that denies **individual dignity and respect on the basis of the grounds such as: gender, disability, race, colour, sexual orientation or other prohibited grounds**. All employees are expected to treat others with courtesy and consideration and to discourage harassment.

The workplace is defined as any Company facility and includes areas such as offices, shop floors, restrooms, cafeterias, lockers, conference rooms, and parking lots.

Harassment may take many forms: verbal, physical or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are **not meant to** cover all potential incidents:

unwelcome remarks, jokes, innuendoes, gestures, or taunting about a person's body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or **ancestry**, practical jokes, pushing, shoving, **etc** which cause awkwardness or embarrassment, posting or circulation of offensive **photos or visual** materials, refusal to **work or** converse with an employee because of **their** racial background or gender, unwanted physical conduct such as touching, patting, pinching, etc., unwelcome invitations or requests, backlash or retaliation for the lodging of a complaint or participation in an investigation,



Harassment Is Not

Harassment is in no way to be construed as properly **discharging** supervisory **responsibilities** including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual. Neither is the policy meant to inhibit free speech or interfere with normal social relations.

Filing A Complaint

If any employee believes that they have been harassed and/or discriminated against on the basis of any prohibited grounds of **discrimination**, there are **specific** actions that may be **taken** to put a **stop** to it. **First** request a stop of the unwanted behaviour. Inform the Individual that is **doing the** alleged harassing or the **discriminating** against you that the **behaviour** is unwanted and unwelcome. It is advisable to document the events, complete with times, dates, location, witnesses and details.

However, it is also understood that some victims of **discrimination** or harassment are reluctant to confront **their** alleged harasser or they may fear reprisals from the alleged harasser, lack of support from their work group, or disbelief by than **Supervisor** or others. The incident should be brought to the attention of your Supervisor and/or **Committeeperson**

Investigation

Upon receipt of the complaint, the Supervisor / **Committeeperson** contacted will **immediately inform** their Union or Company counterpart and together they **will** then **interview** the employee and advise the employee if the complaint can be resolved **immediately** or if the complaint should be reduced to **writing** on a form developed **jointly** by the Company and the Union. Properly completed **copies** of this **form** will be forwarded to the Human Resources Manager and the Plant Chairperson.

The Plant Chairperson and the Human Resources Manager will then **determine** if the complaint requires a special **investigative** team **comprised** of both a Management and **Union** representative appointed by the Company and **Union** respectively. In the event of a complaint involving sexual harassment, the **investigative** team, if possible, will be comprised of at least one woman.

A formal investigation of the complaint will then begin. It may include **interviewing** the alleged harasser, **witnesses** and other persons named in the complaint. Any related documents may also be reviewed.



Resolution

The joint investigators will then complete the report on the findings of the investigation and a copy of the completed Incident **Report** will be forwarded to the Human Resources Manager and the Plant Chairperson who will attempt to resolve the matter within ten (10) days of receipt of the Report in a manner that is fair and consistent with the intent of the Company and national **CAW** policy regarding discrimination and harassment in the workplace. This letter will not circumvent Article 11 of the Master Agreement.

At the conclusion of this step, the complaint, if unresolved, may be considered as a grievance for the purposes of the Grievance Procedure for resolution. In the event that the complaint is not resolved by the parties at the 3rd step of the Grievance Procedure it may be appealed to arbitration in accordance with the provisions of the Collective Agreement. The parties agree that this procedure is an alternative complaint procedure and as such complaints should not be pursued through both the Grievance Procedure and the Human Rights Complaint Procedure.

In addition, in consultation with the National Union, the parties agree to educate the workforce regarding harassment in the workplace through a **CAW / Meritor** training program.

The pursuit of frivolous allegations through the Human Rights **Complaint** Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

Sincerely

Harold **MacKinnon**
Human Resources Manager
Chief Spokesperson



No. 29
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

During the 1997 negotiations the definition of common-law spouse was discussed at length.

A common-law spouse is a person defined by the pension act who has been cohabiting and residing with the employee and is publicly represented by the employee as the employee's spouse. For benefit issues, the employee will declare such in writing to the company.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 30
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

Re: Continuous Operations

At the 1997 negotiations the Union and the Company had a thorough discussion concerning the issue of continuous operation scheduling. The Company affirmed that a five day Monday through Friday eight hour shift is the standard operating pattern for both plants. However, the Company and the Union agree to further discuss the issue of continuous operations should situations arise - ie long term order board increases, new business or equipment or emergency situations -fire, breakdown, etc. -that affect the plant's ability to support the customer over the long term.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 31
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

During negotiations, the Master Committee expressed concern over possible abuse Article 10.01(a) of the grievance procedure. Specifically concerns centred on the section referring to the 2 day requirement for Supervisors to give a written disposition on the grievance or ask for an extension of time for additional research.

At the negotiations the Company confirmed its obligation to abide by the timetables laid out in the grievance section of the Collective Bargaining Agreement. Should this issue arise in the future the Union should address the issue with the Plant Human Resources Manager or the Plant Manager who will address the issue with the specific Plant Supervisor. Should the Union feel that the problem still persists they should inform the Regional Director of Human Resources, LVS - Americas, directly or at the next Master Agenda Meeting.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 32
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

During the 1997 negotiations, the parties discussed the concern that Revenue Canada could change certain rules that would impact pension payments already agreed to through the collective bargaining process. It was agreed that should such rules be mandated during the life of this collective bargaining agreement (March 15, 1998 to March 14, 2001) the Company and the Union will explore ways to maintain the agreed to pension benefit levels.

Sincerely

Harold MacKinnon
Human Resources Manager
Chief Spokesperson



No. 33
November 23, 2000

Mr. R. Jenner
National Representative
CAW
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner

During the 2000 negotiations, the parties agreed to a vacation bonus plan with implementation beginning after March 15, 2002. This plan is outlined as follows:

<u>Years of Service</u>	<u>Bonus as of March 15, 2001</u>	<u>Ple n u s</u>
6 months to 1 Year	0	\$200
1 Year but less than 3 Years	0	\$200
3 years but less than 5 years	\$110	\$200
5 years but less than 10 Years	0	\$200
10 years but less than 15 years	0	\$200
15 years but less than 20 years	\$200	\$200
20 Years but less than 25 years	0	\$200
25 Years or greater	\$110	\$200

Payment of the bonus plan and the timing will be discussed and agreed upon at the plant locations due to the fact that each facility has a different vacation year under article 39 of this collective agreement.

Yours truly,

Harold J. MacKinnon
Human Resources Manager
Chief Spokesperson

EXHIBIT - "A"
JOB SECURITY PROGRAM

Establish a \$2 million Job Security Fund for Chatham and Milton Plants (duration 3 years; March 15, 1998 to March 14, 2001) to be administered for the following purposes:

- A. When the number of jobs at Chatham or Milton is reduced due to classification changes and/or technological change resulting in permanent layoff, it will be handled in the following manner:
 1. **Eligibility** - Employees on the active payroll as of the date of ratification.
 2. For the net number of employees that are caused to be laid off by any of the reasons in A. above, within 90 days of such layoffs, unless a certain recall date is established, the Company will:
 - a. Offer to any eligible employee working, by seniority order, who is eligible for retirement a \$10,000 payment for retiring to reduce the number of layoffs. Employee at his/her option can put payment in R.R.S.P., at his/her risk. The retirement payment will be offered only to the employees from the affected group, (e.g., Production, Skilled Trades).
 - b. If layoffs still occur after eligible retirees are offered bonuses, the laid off employees, who are not eligible to retire, can opt for the seniority buyout (\$100 times each month seniority to a maximum of \$25,000). Employees who accept the seniority buyout terminate employment with the Company in accordance with Article 13.01(a) of the Agreement,

MEMORANDUM OF AGREEMENT

between

MERITOR SUSPENSION SYSTEMS COMPANY
CHATHAM, ONTARIO
Hereinafter called the "Company"

Party of the 1st Part

and

NATIONAL AUTOMOBILE,
AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION
OF CANADA
(CAW-Canada)
LOCAL No. 127
Hereinafter Called "the Union"
Party of the 2nd Part

March 15, 2001 - March 14, 2004

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Article 1 - Union

1.01 The Company will recognize a Bargaining Committee and/or their alternates consisting of three [3] members who have at least twelve months seniority with the Company, who are members of the Union, in addition to the Plant Chairperson and/or his/her alternates, outlined in Clause 1.02. These Committeeperson(s) will represent the following areas:

(A) Stabilizer and Torsion Bar Areas (2)

(B) Skilled Trades (1)

The Company will also recognize shop committeeperson(s) to represent shifts in each of the above mentioned areas not represented by a committeeperson, and the committeeperson so designated will be afforded preferred seniority while the shift he/she is representing is in operation. This, in effect, means each area for each shift will have representation by a committeeperson or alternates. It will be the responsibility of the Union to provide a committeeperson for all shifts so that the Company will not be obliged to pay premium rates.

The Company will recognize the Union time study committeeperson a safety representative, and a skilled trades representative, alternates for each.

1.02 In addition to the three committeeperson(s) above enumerated, the Company will recognize a fourth committeeperson to be Plant Chairperson, with overall jurisdiction, and he/she will be employed on the day shift.

(1) The company will recognize a fulltime Health and Safety Representative and he/ she will be employed on the day shift (per letter number 30)

1.03 Provision is hereby made to change the number of committeeperson(s) should circumstances in employment warrant such change, by mutual consent of the Company and Union.

1.04 The Company will recognize any four members of the plant committee to be named by the union as a bargaining committee, while in conference with management. In the event of Skilled Trades issues being raised at the local meeting, the Union will request the attendance of a Skilled Trades representative at this meeting.

1.05 The National representative and/or the National director or designate(s) may be present with the bargaining committee at any conference with the management if requested to do so by the shop committee.

1.06 Each committeeperson at the time of his/her appointment will be on a seniority list of the Company, with at least twelve months' seniority. The Union will notify the Company in writing from time of changes in names of the **committeeperson(s)** and their alternates.

1.07 The Company must prepare and supply to the Union a list of its supervision every six months.

1.08 Representation for Overtime Work.

(a) The Plant Chairperson will be employed as long as there is overtime work available for ten person(s), or if there are **insufficient** employees working on overtime in the plant to warrant bringing in the committeeperson.

(b) The committeeperson will be continued at work if three **{3}** employees are **at work** in his/her jurisdiction.

(c) Such Committeeperson may be assigned to perform work not previously scheduled or work for which an employee had failed to report or show, but in all such cases, the Company will call in employees in the same classification as held by the scheduled employee. (including employees who took job for week as per Article 5.03(a))

Should the Company, with the Union's help be unable to contact needed replacements from same classification, the Company will then call the senior unscheduled employee(s) with the least amount of overtime in the Plant (to a maximum of five phone calls). Should the Company with the Union's help, be unable to find a replacement, the committeeperson will fill in for the absent employee, if necessary, for the entire overtime shift. This Article will not negate or circumvent Article 5 of the Local nor Article 20 of the Master Agreements.

(d) On scheduled overtime when a committeeperson or Plant Chairperson cannot work overtime, the Company will **recognize** the alternate committeeperson, permanent or otherwise, provided the Company has been given one **{1}** hour's notice **by the** committeeperson prior to the end of his/her shift.

(e) When unscheduled overtime is to be worked and the committee person cannot work, the Company will recognize and notify the alternate committee person.

(f) Company to recognize the alternate committee person or alternate Plant Chairperson, only in the absence from the plant of regular committee person or Plant Chairperson.

1.09 Preferred Seniority

It is agreed that members of the Bargaining Committee of the Union will be accorded a preferred seniority status on their shifts, insofar as permanent layoffs are concerned, subject to provision hereinafter stated. The right to designate the persons who will have such preferred seniority status will be vested in the Union, provided that the list at all times will include only employees in office. Whenever the Union desires to substitute another person having preferred seniority, it will notify the Company in writing, and thereafter the person whose preferred seniority has ceased will resume his regular seniority. In no case will the Company be under obligation to assign work because of preferred seniority status to a person who is not capable of doing the work available.

Article 2 Transfers - Rates of Pay During Transfers

2.01 a) If an employee is temporarily transferred to another classification, he/she will be paid the higher rate, unless the transfer was due to lack of work in the employee's classification, and the employee was not informed within the first two (2) hours of the shift. The Union will be notified at the same time or no later than the end of the shift in question.

b) If an employee is temporarily transferred at the Company's request said employee will be paid the higher rate.

c) When it becomes necessary to reduce the affected classification, summer students will be reduced first, followed by probationary employees, spare person(s), posted employees who traded shifts, temporary posted employees, and lastly the permanent posted employee(s).

d) All transfers are subject to the employee's seniority and qualifications required for the available openings.

Article 3 - layoffs and Recalls

3.01 When it becomes necessary to decrease the workforce because of lack of work in the plant, it will be applied in the following manner; (a) Summer students followed by probationary employees will be laid off first.

(b) If additional employees are to be laid off, they will be the most junior employees of the plant-wide seniority list.

(c) Employees displaced because of layoff will have preference due to vacancies created as a result of the above layoff subject to Article 4. (Jobs of laid off employees may be posted after 45 days)

(d) In cases where employees are unable to fill the existing jobs because of physical **disability** or sickness, this clause shall not apply, and the employee concerned shall be laid off until a suitable opening occurs. This Article will comply with the Workplace Safety and Insurance Act.

3.02 If layoffs are still necessary, the same will be applied in the following manner.

(a) An employee on the plant seniority list will be transferred to replace a shorter service employee, provided such employee is capable of doing the work of the shorter service employee. In cases where employees are unable to fill the existing jobs because of physical disability, or sickness, this clause will not apply, and the employee concerned will be laid off until a suitable opening occurs.

The fact that an employee has been so designated will not affect his /her regular seniority standing and he/she will resume the same as soon as the special reasons in his/her case cease to exist.

(b) At each layoff or recall following layoffs, certain individual employees whose services are required under special circumstances may be retained in, or called to service regardless of their seniority. Such designation will not become effective until approved by the Human Resources Manager and the Plant Chairperson and committee person concerned, and will cover only employees whose positions cannot be filled by those with seniority.

3.03 In the application of seniority to layoffs, employees to be retained on the basis of their seniority must have the ability to do the work available satisfactorily within a reasonable period of time, which will be five (5) regular working days. An employee who elects and does try, and is not satisfactory, will then be laid off; and no employee then assigned to such work will have any claim to retroactive pay for such period. An employee who elects to try the job must do so within five (5) regular days following the layoff.

3.04 During each layoff, where in the opinion of the Company, an employee is able to do the job, he will take such job, provided the job comes within the bargaining unit.

3.05 Notwithstanding the foregoing, where situations warrant such action, all employees will be laid off as their jobs finish in the plant on the shift on which they are working, and will be recalled to work in the same manner as their jobs start up in the plant.

3.06 It is agreed that the Company may exercise the privilege of laying employees off without regard to seniority for four scheduled working days or less, but where an employee is laid off out of seniority for more than four (4) consecutive scheduled regular working days, he will be paid for all time lost in excess of the four (4) regular working days, providing there is work available in the plant which he is qualified to perform, regardless of the twenty day clause referred to in Clause 3.09 of this Agreement.

It is further understood that temporary layoff will commence with the most junior employee(s) within the affected classification on shift.

3.07 The Company and Union agree to work together to avoid temporary layoffs out of line of seniority wherever possible.

The Manufacturing Manager or in his absence his designee will review temporary layoff situations with the Plant Chairperson or shift Committeeperson or in their absence their alternates prior to any contemplated layoff.

If the above procedure is not followed the Manufacturing Manager will meet with the Bargaining Committee and the person who caused the procedure not to be followed and review the procedure in detail.

If not resolved to the satisfaction of the parties the matter will be forwarded to a Master Meeting.

3.08 It is further understood and agreed that employees laid off out of seniority due to short work week or temporary layoffs of four (4) regular working days or less, such lost time will be credited to the employee concerned against the twenty days lost time he /she may be off during the life of the Collective Agreement.

3.09 Exceptions to the seniority provision will not extend beyond four (4) regular working days at any one time in the Plant, nor beyond a total of twenty working days during the life of the Collective Agreement.

The twenty days total time a senior employee can be off outside of the seniority provisions during the life of the Agreement will be the combined lost time outside of the seniority provisions due to such temporary layoffs and recalls, and the Company agrees to compensate any senior employee for all time lost over twenty (20) days during the life of the Agreement, if he/she is laid off out of seniority beyond the twenty (20) days and there was work available which he/she was qualified to perform.

3.10 Employees whose services are to be terminated because of reduced manufacturing schedules will be given advance notice of five working days, and the list of those affected will be posted. Advance notice of five working days will not apply to those employees working out of seniority, and they may be laid off on immediate notice.

(b) A probationary employee who is separated from the payroll of the Company will be informed at time of separation whether he is permanently laid off or will be recalled.

3.11 The Chairperson of the Bargaining Committee will be advised of all contemplated cases of extended layoff 48 hours in advance of the time notice of layoff is given to the employee, and a list of the employees to be laid off will be given in writing to the Chairperson at time of layoff.

3.12 Recalls
When there is an increase of work force, employees on the plant-wide seniority lists will be returned to work in accordance with such lists, and where possible, given the opportunity to return to their former job, before new employees are hired, and the Chairperson will be notified in writing of such recall.

3.13 Before new employees are hired, the management will, as a matter of policy, give preference to rehiring longer service employees whose service is broken during the life of this Agreement or under previous agreements, under the operation of the Master Agreement.

3.14 Former employees re-entering service after continuity of service has been broken [see Master Agreement] will be considered new employees.

Article 4 • Job Posting

4.01 Recognized jobs as listed in Schedule of Classification and Wages, will be posted according to Article 4.02

4.02 Whenever a vacancy in a job referred to in Article 4.01 for posting is expected to last over twenty-one (21) calendar days (except where the vacancy is caused by absence of an employee due to illness, accident, or leave of absence), it will be posted on all bulletin boards on the Thursday morning at 10 a.m. next following the occurrence of the vacancy, unless mutually agreed to between the Company and the Union.

The posting will be removed from the boards on the next Tuesday at 10 a.m.

An active (does not include E.D.B.) employee wishing to apply for the posted job must submit a written application signed in triplicate by the employee and initialed by a supervisor or production representative no later than Tuesday 10 a.m. A copy will be given to the Plant Chairperson and the employee. The successful applicant will be chosen on the basis of seniority and qualifications and his/her name will be posted, together with the time, on the following Monday he/she is expected to report to the new job. Such posting will be done no later than 5 p.m. Wednesday. The successful applicant must in all cases report to the job at the beginning of the work week following the week during he/she was chosen except in cases such as S&A, scheduled vacation, leave of absence, etc.

4.03 An employee who bids successfully for a permanent job will not be entitled to bid for another permanent job for a period of ninety (90) calendar days from the start of the work week following the week of posting of the successful applicant's name.

4.04 Once an employee has been notified through the Company official job posting results notice (on the **recognized** Bulletin Boards) that he/she has been accepted for posted job, he/she will then have no further claim to his/her former job beyond the work week in which he/she is so notified except in the case of that weekend overtime.

Should a dispute arise as to an applicant's qualifications to do the job, he/she will be given a five (5) day trial period or longer if mutually agreed to by the parties in which to prove himself/herself. However, if he/she fails to qualify, or requests to be taken off the job, within a ten (10) day period, he/she will be placed by the Company on any available job in the plant for the balance of the ninety (90) day period.

In such case, the Company will then fill **the job with** the next applicant in line with seniority. Should there be no other applicant(s) then the job will again be posted.

In no case, will any other employee be entitled to claim pay for the time during which an employee is trying out for a posted job.

4.05 Where an employee is a trainee in a setup group, and an opening occurs for a setup person, the senior trainee will fill the vacancy, providing the trainee is qualified.

The employee will have the option of moving into the opening of set up during his/her training period of ninety 90 days if he/she feels he/she is qualified but to this end said employee must fill the opening of set up after ninety 90 days of training has expired.

When an employee who is a set up trainee moves into a set up classification permanent (or temporary) the trainee's job will be posted permanent or temporary as per Article 4.00 Job Postings.

If during the ninety 90 day training period the trainee does not feel he/she is qualified to do the work of set up classification then such opening will be posted plant wide.

To this end the set up trainee will remain at work in his/her posted classification for a minimum period of ninety 90 days. Dependent on the workload in the set up classification the trainee will be used on an as needed basis. This Article will not negate or circumvent Article 3 of the Local Agreement.

4.06 The Company has the right to fill job openings temporarily while processing applications through the job posting procedure.

4.07 Jobs of employees transferred due to breakdown of machine, or lack of stock, will not be posted at any time. This is to ensure the employee's return to his/her regular job. Employees so transferred must return to their former jobs, as they become available.

The Union and Company will consider posting of such jobs under exceptional circumstances.

If a posted job opens and the posted employee is on shift, he/she will be returned to his/her job immediately.

If on another shift, he/she shall return to his/her job at the beginning of the next week.

4.08 Jobs from which employees have been laid off will be posted within forty-five (45) days from the day of layoff.

4.09 It is agreed by the Company and Union that all vacancies created by layoffs for more than forty-five (45) days will be posted for bid on the 46th day after such layoff. This means all jobs left vacant due to layoffs longer than 45 days will be posted in accordance with Article 4.02.

4.10 It is agreed that all new jobs, and jobs left vacant by employees quitting or retiring from the Company, will be posted in accordance with Article 4.02, unless otherwise mutually agreed to between the Company and the Union.

4.11 Temporary Job Posting & Temporary Work

The procedure as to the posting of temporary vacancies caused by the absence of employees will be governed by agreement between the parties.

(1) In all cases, when an opening is expected to last four weeks or more in duration the job will be temporarily posted, (except for Skilled Trades).

(2) Temporary postings will apply to all employees posted or non posted, (except for Skilled Trades).

(3) When a permanent posted employee bids for a temporary posting, he/she will relinquish all rights to his/her permanent posting. Said employees job left vacant will be posted as per Article 4 (Job Postings).

Employees must have completed ninety **90** Calendar Days on his/her permanent posting before bidding for a temporary posting.

(4) Temporary work will be offered to the non-posted or spare person by seniority and such work will be given each week. Persons absent because of a scheduled day off on such day such temporary work is offered will be given an opportunity to choose the aforementioned work the following day.

Such days off will be defined as: **vacation**, Bereavement Leave, Jury Duty, Leave of Absence including Sickness or Accident **providing** such days are covered by S&A Benefits or **WSIB** Benefits.

Each temporary posted employee will be removed when the permanent posted employee returns from his / her approved leave (S&A, **WSIB**, **EDB** etc.)

(5) An employee will not be permitted to bid for another temporary vacancy so long as he/she is holding a temporary position.

If an employee posts off his/ her **temporary vacancy**, said employee will have no further claim to his / her former job beyond the work week in which he/she is so notified except in the case of weekend overtime.

(6) In a reduction of posted employees in a classification temporary posted employees will be reduced first.

(7) In all cases temporary posting(s) will be **reposted** after 12 months from effective date of the original posting. The company and union may mutually agree upon permanently posting long term vacancies based on that employee's medical prognosis.

(8) All available jobs will be offered out **at the** beginning of the **shift** (not prior to). The company will designate an area where the jobs will be given out.

9) Where an employee is a trainee in a setup group, and a temporary opening occurs for a setup person, the trainee on shift will fill the vacancy, providing the trainee is qualified.

4.12 Employees with permanent medical restrictions will not be granted temporary or permanent job postings that conflict with their restrictions.

ARTICLE 5 - OVERTIME ALLOCATIONS **EQUALIZATION**

5.01 *Overtime* will be equitably distributed amongst those employees in their **classification** and/or group. The following sections set out the full **intent** of the parties in respect to Article 5.01 and the Master Agreement clauses which apply.

The Local Agreement stipulates overtime hours within the **classification** will be **maintained** within 20 hours, unless prevented from by matters outside the Company's control. The **sixteen [16]** hour clause of the Master Agreement will prevail at the end of the Agreement.

No **employee(s)** will work in excess of twelve [12] hours **within** a 16 hour period unless mutually agreed with the Company and Union. Any employeeworking 12 hours must be off work a minimum of 4 hours before being requested to work again.

When a person changes from one classification to another, who accepts a job vacancy for the week, the/she will be averaged into the new classification with the up-to-date hoursworked. The overtime hours from his/her **previous** classification will then be cancelled.

To be averaged into the new classification or group, the employee will be averaged in at the beginning of the second shift on the job providing he/she chose the job at the beginning of the **shift** the previous day.

Where an employee posted to a **classification** has accepted an overtime assignment and subsequently is transferred out of the posted job, he/she will be allowed to perform the overtime assignment.

Where a person is not eligible for a job because of his/her **seniority** and is subsequently assigned to a job said employee will be given the choice of accepting or rejecting the job for the week. Employee must be advised by his/her supervisor as to the above.

Notwithstanding the above, employees whom, at the request of the Company, work overtime outside their classification due to their special skills, **will** havethose hours charged totheir classification. Specialskills hours refused will not be charged.

OFFERING OF OVERTIME

5.02 (i) In all cases where overtime hours are equal between two or more employees within the classification and/or group /shift the Company will allocate overtime on the basis of the senior person being asked first.

(ii) Posted employees who are eligible for overtime will be first offered all available overtime within their classification/shift, except in the case of a spareperson who has taken the job for the week. Such spareperson who was averaged into the group will be allowed to work the overtime in the classification on the shift that they have worked through the normal work week provided all shifts are scheduled for overtime. Employees working outside their classification on a key job must be offered overtime within their classification /shift at this step [see Letter 25]. Sparepersons replacing an employee on a key job or replacing an employee on an approved leave, will hold their hours within the spareperson group. Employees eligible for overtime according to this article will be firstly offered the available work on their own shift.

(iii) Posted employees who were temporarily reduced from their posted classification (not previously offered overtime) and who have not returned to their posted classification will then be offered all remaining available overtime within their classification.

(iv) Sparepersons who were averaged into the group will then be offered the remaining overtime.

(v) Followed by the senior employee within the Plant with the least amount of overtime, provided that employee is capable to perform the work required.

(vi) As employee constitutes all hourly workers, it is understood that probationary employees will be offered overtime before students within their classification or group on shift whenever hours are equal.

(vii) In situations where, during the regularworkweek, unexpected overtime of up to a maximum of two [2] hours following the end of a shift is required by the Company, the employees doing the work during the shift will be asked to perform such overtime. Wherever the overtime is for more than two [2] hours, or where overtime is required on a premium day, the overtime will first be offered to the employees posted to the classification with the senior person having the least overtime getting first preference.

(viii) **Setup** persons **will** share the overtime work in their *respective* groups only, and will not displace any employees in the group they lead on overtime, and no employee will have the right to displace a setup person on overtime if the work be that of a setup person.

(ix) Employees not scheduled for overtime on their own shift will be offered 'spare' hours (if scheduled) for their regular shift as long as they do not exceed 20 hours with other employees eligible for such overtime.

CHARGING/AVERAGING

5.03 Hours will be charged or averaged in the following manner:

(i) No person will be charged with overtime hours worked or refused in more than one classification or group at any one time. In accordance with this, when a person changes from one classification to another, who accepts a job vacancy for the week, he/she will be averaged into the new classification with the up to date hours worked. The overtime hours from his/her previous classification will then be cancelled.

To be averaged into the new classification or group the employee will be averaged in at the beginning of the second shift on the job *providing* he/she chose the job at the beginning of the shift the previous day. This applies only to transfers during the normal workweek.

(ii) An employee bidding into another classification or into a newly created classification will be averaged into that classification upon transfer. Newly created classification will equate to Plant Average (not including Skilled Trades hours).

(iii) Employees in receipt of S&A or W.C.B. benefit will be averaged into the classification he/she returns to.

(iv) An employee will be charged for all hours worked or refused. Employees who refused overtime on special skills jobs **will** not be charged. Hours charged cannot exceed the hours that he/she was eligible to work.

(v) An employee who fails to report will be charged double hours unless the employee cancels *their* overtime *prior* to the completion of their regular Thursday shift (if a Friday holiday occurs then the Wednesday shift).

(vi) An employee will not be charged if not capable of doing the required work.

(vii) Hours may be adjusted for convenience to safeguard against cumbersome totals, subtracting the smallest total of each classification. Each new contract, hours will be reverted to zero.

(viii) Employees will be allowed to submit an overtime refusal form into manufacturing that allows manufacturing or maintenance to charge that employee for all hours that employee would have been eligible for.

(ix) All employees will be charged for scheduled overtime, if they are not available, but would otherwise have been asked to work. An employee may sign this overtime form (Company form) indefinitely, or for a specified period of time.

In any case where an employee wishes to change his option, that employee must do so in writing (Company forms) no later than that person's lunch period on Tuesday of each week.

CANVASSING:

5.04 i) Employees as listed within 5.02 will be canvassed and sign for their overtime except those mentioned in 5.03 (viii).

(ii) Employees that have signed an Overtime Refusal form will not sign overtime sheets for those hours designated on the Overtime Refusal form.

NOTIFICATION:

5.05 i) Notification of those listed in 5.03 inclusive are notified through their signing of the overtime.

ii) Overtime records will be maintained by the supervisor(s) on a daily basis, and these records will be posted in the Manufacturing Office. The records will show each classification and the person(s) posted to it, with the overtime charged, and a special category of Plant General Labour Overtime (sparepersons) with employees listed under it in the General Labour Categories within the plant. A copy of this record will be given to the Union on a weekly basis.

WEEKLY OVERTIME:

5.06 i) If on an occasion, extra persons are needed, (besides those posted persons who agreed to work) then the Company agrees to offer such overtime first to the most senior employee(s) within the plant, regardless of classification, with the least amount of overtime, provided they are capable of performing the work to be done.

ii) During the regular work week: Where a person is temporarily transferred for less than one shift (eight (8) hours), his/her posted job or job classification will in no way be affected for the purpose of overtime allocation and sharing, and any overtime worked will be charged to his/her classification.

UNION REPRESENTATION

5.07 Where overtime is expected to go beyond two (2) hours following a shift, or where persons must be contacted for overtime, the company agrees to have the area committeeperson or alternate, or in his/her absence, the Chairperson, or alternate, present when employees are being contacted by telephone.

Article 6 - Hours of Work

6.01 The Company does not guarantee to maintain a steady work week, nor does it guarantee to provide steady employment to any of its employees.

All employees are expected to be at their workstation at the start of their shift, to relieve the outgoing employee, with all personal protective equipment required to perform the work.

6.02 Standard work week will be 40 hours Regular work week will begin on Monday 7:00 a.m. and will consist of the following:

Eight hours per day, Monday to Friday inclusive. The second shift will follow immediately after the day shift. On a three shift operation, the work week will begin at 11:00 p.m. Sunday, and shifts will be comprised of eight continuous periods thereafter. (11:00 p.m. - 7:00 a.m.; 7:00 a.m. - 3:00 p.m.; 3:00 p.m. - 11:00 p.m.) (insert) The weekly manpower rotation will be in accordance to 6.02(c).

(a) On any job(s) which require a different starting and stopping times, employees will be paid overtime only for the time spent in excess

of 8 hours per day or 40 hours per week (schedules will be posted weekly).

(b) The afternoon shift lunch hour will be from 8:00 p.m. to 8:30 p.m., the day shift lunch period will be from 12:00 - 12:30 p.m., and the midnight shift lunch period will be from 4:00 a.m. to 4:30 a.m. (applies to all non continuous operations).

(c) Weekly manpower shift rotation schedule will be Midnights, Afternoons, followed by Day Shift.

(d) The Company and Union may agree to change the above shift schedule.

6.03 Rotation

For the purpose of overtime premium, Saturday will be from 7:00 a.m. Saturday until 7:00 a.m. Sunday, and Sunday will be from 7:00 a.m. until 7:00 a.m. Monday; except for three shift operation only, when it will be from 11:00 p.m. Friday to 11:00 p.m. Saturday, and from 11:00 p.m. Saturday to 11:00 p.m. Sunday. The Shift rotation for O/T will follow the same rotation as the straight time shift

6.04 Rest Periods

(a) Relief of ten minutes per hour will be provided for operators on hot presses, upsetters, forge work, quench, stabilizer tail draw fitter, and magnaglo.

(b) All stabilizer tong persons, Stabilizer Heat Treat Set Up persons and will be allowed one-half hour relief per hour, not applicable to work group operations negotiated during the 1992 Collective Agreement.

(c) Extra rest period of five minutes per hour will be provided during the hot weather period May 15 to October 15. The extra heat relief may be assigned by jobs as agreed.

(d) In the Forge and Torsion Bar areas, where there is not sufficient work for a relief person the persons will be allowed ten minutes per hour.

(e) If an adjustment of the work load or work force is necessary, relief periods will be open to negotiations between Union and Company.

(f) Special conditions and situations will be governed according to agreement as covered by letter issued by the Company to the Union.

(g) If during the life of the agreement a manual operation is significantly automated, the relief structure will be reviewed. The parties will reach a mutually agreeable solution prior to the change.

Article 7 - **Daywork** Plan

7.01 Disputes dealing with individual work quotas or time standards will be discussed with the bargaining Committee and dealt with as per Article 1.04 of Appendix C (see attachment)

7.02 Attached to and forming an Integral part of this Collective Agreement is Appendix C- Operation of Daywork Plan and Establishment of Process Control Cycles (See attachment).

Article 8 - Setup Person

8.01 The setup person is responsible for the direction of the group under his/her jurisdiction, as well as setup in machinery and dies only, and will instruct the employee in his/her group. It is understood that direction and instruction will be restricted to the passing on of the supervisor's orders, in the absence of the said supervisor A setup person does not have disciplinary authority and will not make any written or oral reports to the Company on discipline.

8.02 During times of reduced work and layoffs, a setup person may be retained at work in his posted classification out of line of seniority as long as there are not other qualified seniority employees as outlined in Article 8.03, in the plant capable of doing the work of the setup person. It is recognized a setup person is required for die tryout, particularly during model changeover, but will not perform production work, unless his/her job duties are reduced to a level where a setup person is not required, and then only if his seniority warrants his/her retention as a production worker.

8.03 Setup person jobs will be posted only when new setup persons are required, either to increase operations, or by virtue of replacing one of the present setup persons. Postings for setup persons will be made plant-wide. It is also recognized that the five day learning period is not applicable and a candidate must have the necessary ability at the time of appointment, This Article will not negate or circumvent Article 4.00-4.05 of the job posting procedure.

8.04 The parties agree that setup person(s) will receive at least fifteen 15 cents (\$0.15) per hour above the top regularly classified rate in the group under his/her jurisdiction.

8.05 In the event a classification is changed to a setup operator classification then the setup operator will be paid fifteen 15 cents(\$0.15) per hour over and above the job rate.

Article 9 - Health and Safety

9.01 The Company will supply protective equipment, or protective clothing, where such clothing or protective equipment is not normally purchased by the employee for his/her job, in compliance with Occupational Health and Safety Act and past practice.

Article 10 - Skilled Trades

10.01 The conditions governing recognition, representation of other working conditions applicable to the skilled trades, will apply to employees in the following classifications, except as may be altered by this article. Additional classifications may be negotiated by the parties during the life of this Agreement.

- a) Electricians
- b) Machine Repairpersons (Air Hydraulic Mechanic)
- c) Plumber /Pipefitter/ Gas Technician / Carpenter
- d) Tool and Die Maker

10.02 Seniority in the Skilled Trades will be by non-interchangeable occupations or trades within a department or group of departments. Seniority lists will be by basic trades or classification.

10.03 Employees presently working under classification of trades listed in one of the above as of thirty days following ratification in 1974 will have their total seniority in their classification or trade.

Future employees entering a classification or trade will have date of entry seniority in the skilled trades as listed in one of the above except in the case of apprentices whose seniority is covered in the present apprenticeship agreement.

10.04 Production workers will not carry seniority into the trades or classifications listed in one above nor will skilled trades workers exercise seniority into production or non production groups except where a classification or trade listed in one above is discontinued or eliminated.

Such employee will then exercise his/her total Company seniority for the purpose of displacing a junior employee in the classification or trade for which he/she is qualified, or will exercise all his/her Company seniority in the general production, or non-production groups under the Agreement.

(a) Should a skilled trades employee become medically unfit and unable to follow his/her skilled trade both the Company and the Union will co-operate in endeavoring to place such an employee on a job he/she is capable of performing taking his/her total seniority with him/her. However, if placed in a non- skilled classification, he/she will then forfeit all rights within the skilled trades. Notwithstanding the above, if such employee fully re-covers which is substantiated by a medical certificate, he/she may be fully reinstated back into the trades. Employees so transferred will receive the rate for the job being performed.

(b) Notwithstanding Article 10.00-10.04 (a) a skilled trades person who is unable to perform his duties in his/her skilled trade classification because of medical reasons will not displace any employee in the production group nor will such employee enter the production group during periods of lay-offs.

10.05 The term journeyman as used in this Article will mean any person who:

(a) is presently working within the journeyman classification in the Plant as outlined in Section 10.01 or,

(b) has served a bona fide apprenticeship of four (4) years -8,000 hours and has a certificate to substantiate his/her claim of such apprenticeship service or,

(c) persons who carry a recognized journeyman card in any of the foregoing trades or

(d) persons who have had eight (8) years of practical experience in the skilled trades classification in which they claim journeyman designation and can prove same. Proof must be submitted in writing within the job posting time limits, but not later than one week following the posting unless mutually agreed to extend the one week time frame.

Persons bidding into Plumber/ Pipefitter/Gas Technician/ Carpenter may do so with a Gas Technician II certification coupled with a Plumber / Pipefitter/Gas Technician/ Carpenter designation. Successful bidders will be required to upgrade immediately to Gas Technician I certification. Training to be supplied by the Company. Basic Carpentry and Plumbing will be performed according to past practice.

10.06 The Skilled Trades Representative and the Plant Chairperson will be shown evidence of qualifications regarding new hires into the Trades Classifications.

10.07 Any further employment in the skilled trades occupations as listed in one of the above, after signing of this Agreement, will be limited to journeyman and apprentices or supplemental employees.

10.08 During any period when journeyman(s) are unavailable it is agreed that non-journeyman employees may be classified on a temporary basis to supplement the work force in a Skilled Trades Classification and will be known as a supplemental employee(s).

The opportunity to work as a supplemental employee will be offered first to seniority employees, second, to any laid off employee with seniority. If there are no laid off employees eligible, new employees may be hired on a temporary basis and will be known as new supplemental employees. When a journeyman becomes available either by hire, transfer, or graduation of an apprentice in a Skilled Trades Classification to which a supplemental employee has been assigned, such journeyman will replace the supplemental employee who will then be laid off or returned to his original classification.

A supplemental employee will not accumulate seniority within the Skilled Trades Classification but will accumulate Plantwide seniority and may exercise such Plantwide seniority to return to his/her former job, or to apply for vacancies in the Plant as provided elsewhere in the Master Agreement. Supplemental employees will receive fifteen (15) cents per hour below journeyman's rate of the classification or trade.

No employee will work as supplementary help over 21 days in any twelve (12) month period unless mutually agreed to between the Company and the Union. The successful applicant can only post once in a calendar year.

No supplemental employee(s) in the Trades will work alone without a Journeyperson.

10.09 Vacancies in the skilled trades classification will be filled first by job posting. If no suitable applicants are available new employees may be hired.

10.10 In the event of an Increase or decrease in force in any skilled trade or classification as designated above, the following procedure will apply:

(a) First Supplemental, second probationary, third apprentice employees will be laid off from their skilled trade or classification. Apprentices will retain layoff rights under the Apprenticeship Agreement.

(b) If any further employees are to be reduced from any skilled trade or classification as listed in one above, such employees will be laid off or transferred in order of their seniority from such skilled trade or classification, as per Skilled Trades Layoff Flow Chart.

(c) Employees (except probationary) affected by a layoff cutback in manpower as per (a) and (b) above will be offered preferential employment over new hires.

10.11 Recalls will be made in reverse order of layoffs.

10.12 The setup person is responsible for the direction of the group under his/her jurisdiction, and will instruct the employee in his/her group. It is understood that direction and instruction will be restricted to the passing on of the supervisor's orders, in the absence of the said supervisor. A setup person does not have disciplinary authority and will not make any written or oral reports to the Company on discipline. The set up position will be offered by seniority on a 3 week rotation.

10.13 The Company will discuss with the Skilled Trades representative(s) or in their absence the skilled trades alternate(s) any dispute on job assignments. The Union and the Maintenance Dept. head will arrive at a mutual agreement.

10.14 All work performed in the skilled trades will be done by employees who are covered by classification and rate as outlined in this Agreement between the Company and the Union within the

framework of present practices.

10.15 Nothing in this Agreement will be construed so as to deprive any employee of skilled trades of any rights, privilege, such as insurance, pensions, SUB., holiday or vacation pay, etc. that are covered in the body of the General Agreement.

10.16 The Company will not instruct or permit production employees to perform work of Skilled Trades Personnel.

10.17 General

{a} Set up person(s), as defined in 10.12, will receive fifteen 15 cents per hour above the top regularly classified rate in the group under his/her jurisdiction.

{b} Company agrees to replace personal tools of skilled tradesperson(s) worn or broken in the course of their duties when in the Company's employ provided worn or broken tools are handed in to the company. It is understood that the tools provided by the company are the company's property and will be returned upon the employee leaving the company with the exception of personal tools. Personal tools will be listed.

New employees and apprentices will be supplied the company tools required.

10.18 With the introduction of new machinery or equipment, training will be given to the Skilled Trades involved with such new machinery or equipment.

10.19 The employment of apprentices will be in accordance with the apprentice training plan as approved by the parties for the Chatham Plant.

As per 10.10(b) SKILLED TRADES LAYOFF FLOW CHART

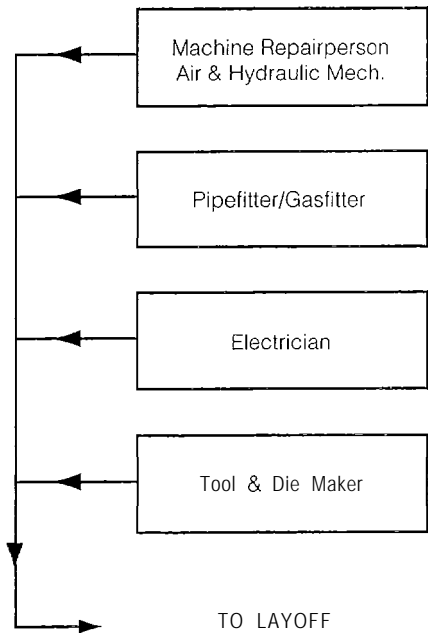
Article 11 - Information

11.01 The Company agrees to discuss with the Plant Chairperson or his/her alternate on training with hourly employees prior to the training commencing.

11.02 The Company agrees to supply the Plant Chairperson or his/her alternate a copy of any written correspondence which will be issued to Bargaining Unit employees.

Article 12 - Schedules

12.01 Attached hereto and forming a part of this Agreement is the Schedule of Classification and Wages.



Article 13 - Duration of local Agreement

This Agreement will terminate in accordance with the wording and dates as set out in the Master Agreement.

Duly executed by the parties hereto this **15th** day of **March, 2001**

FOR THE COMPANY

C. M. Johnston

P. J. Brennan

J. D. Gooch

G. Negri

FOR THE UNION

G. E. Allen

S. T. Karnas

A. C. Neaves

M. D. Woodrow

G. Ryan

C. Formosa

R. Jenner - Nat Rep

SCHEDULE OF
CLASSIFICATIONS AND WAGES

CLASSIFICATION	Effective 3/15/01	Effective 3/15/02	Effective 3/15/03
Shear Operator	\$20.20	\$20.65	\$21.15
Auto Shear Setup Opt	\$20.35	\$20.80	\$21.30
Stab Forge Opt	\$20.36	\$20.81	\$21.31
Set-Up Shear Forge	\$0.15	Above Highest Rate	
Sta Board Repair and Maint.	\$20.59	S 21.04	\$21.54
Stake Truck	\$20.39	\$20.84	\$21.34
Stab S/U Trainee			
& Board Repair	\$19.91	\$20.36	\$20.86
Auto Upset, Forge, S/U Opt	\$20.47	\$20.92	\$21.42
Upset Operator	\$20.36	\$20.81	\$21.31
Torsion Setup (Upset, Torsion			
Bar Heat Treat Line, Offline	\$0.15	Above Highest Rate	
Torsion Bar Setup Trainee	\$19.91	\$20.36	\$20.86
345 Line Group Opt	\$20.35	\$20.80	\$21.30
Offline Group Operator	\$20.46	\$20.91	\$21.41
229/321/322/323 Line			
Group Opt	\$20.35	\$20.80	\$21.30
Stab Heat Treat S/U	\$20.78	\$21.23	\$21.73
Oil Quench	\$20.30	\$20.75	\$21.25
Stab Shotlast S/U Operator	\$20.39	20.84	\$21.34
S/U Belt Grind Opt	\$20.48	\$20.93	\$21.43
Salvage S/U Operator/ Grinding	\$19.96	\$20.41	\$20.91
Light Up Burner Repair	\$19.96	\$20.41	\$20.91
Greaser/Oiler	\$19.96	\$20.41	\$20.91
Crane Operator	\$20.20	\$20.65	\$21.15
Lift Truck	\$20.45	\$20.90	\$21.40
Sweeper/Sanitation	\$19.88	\$20.33	\$20.83
Shipper Receiver/Trucker	\$20.39	\$20.84	\$21.34
Product Dev'pment Tech	\$20.86	\$21.31	\$21.81
Product Dev'pment S/U Tech	\$21.37	\$21.82	\$22.32
Boxmaker & Pallet Repair/ Relief	\$20.23	\$20.68	\$21.18
Assembly/ Bush and Sleeve	\$20.20	\$20.65	\$21.15
Friction Welder / Chamfer	\$20.45	\$20.90	\$21.40
Plant Chairperson	\$20.42	\$20.87	\$21.37
General Labour	\$19.47	\$19.92	\$20.42
Health and Safety Representative	\$22.24	\$22.69	\$23.19
Continuous Improvement Coordinator	\$22.24	\$22.69	\$23.19

**SCHEDULE OF
CLASSIFICATIONS AND RATES**

CLASSIFICATION	Effective 3/15/01	Effective 3/15/02	Effective 3/15/03
SKILLEDTRADES:			
Electrician	\$23.61	\$24.51	\$25.51
Machine Repair	\$23.57	\$24.47	\$25.47
Plumber / Pipefitter / Gas Technician / Carpenter	\$23.41	\$24.31	\$25.31
Tool and Die Maker	\$23.67	\$24.57	\$25.57
Electrician Set Up	\$23.91	\$24.81	\$25.81
Machine Repair Set Up	\$23.72	\$24.62	\$25.62
Plumber / Pipefitter/ Gas Technician / Carpenter Set Up	\$23.56	\$24.46	\$25.46
Tool and Die Maker Set Up	\$23.82	\$24.72	\$25.72

APPENDIX "B"
LETTERS OF UNDERSTANDING

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No. 1

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Lift Truck Training:

During the 2001 negotiations the company and union agreed that the Joint health and Safety Committee will establish and maintain a program for lift truck training.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 2

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Union Committee Person Representation

The parties have agreed during recent negotiations the following areas in the plant will be represented by two committeepersons and these areas will be as follows:

AREA NO. 1

- Upsetters
- T.B. Heat Treat - Shipper Receiver Trucker
- 383 /384 Shot
- End Grind – Salvage
- Assembly/ Bush and Sleeve
- Stake Truck, Continuous Improvement, Health and Safety Representative, Offline *Magnaglow* and Preset.

AREA NO. 2

- Shears . Board Repairperson &Trainee
- Forging -Sweeper - Sanitation
- Stabilizer Bar Heat Treat Operator, Greaser Oiler
- Stab. Heat Treat S/U - Crane Operator
- Box Maker/Pallet Repair/Relief
- Stabilizer and Torsion Bar - Romatt Upset
- Product Development - Friction Welder /Chamfer/SU
- Technicians/Setup
- Lightup & Burner Repair



In addition, the classifications of truckers will be represented by whichever committee person is in the plant to represent the above classifications.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 3

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: tight Up Person's Duties

The light up person for St. George Plant will perform all light up required during his normal work week.

Calling in the light up person during the regular work week for off shifts light ups will only happen if there is no one else available in the plant to perform the light up. It is agreed that the Pipefitter/ Gasfitter may be used between the hours of 1:30 p.m. to 3:30 p.m. provided there are no qualified light up personnel on shift during 1:30 p.m. and 3:30 p.m.

In the case of breakdowns, the setup person of the unit involved will relight the furnace, if capable.

The Company agrees to provide gas light up training (where required) through available courses.

Yours truly

CM. Johnston
Human Resources Manager



No 4

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Plant Chairperson Work Assignment

During the 1997 negotiations it was agreed that the Plant Chairperson's position would become full-time.

The Chairperson, whenever possible will be involved in Union/Company Relations meetings.

It's further agreed that this agreement will not circumvent the Chairperson's right to bid.

Yours truly

CM. Johnston
Human Resources Manager



No. 5

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Previous Pay Period Definition

During the recent negotiations the parties agreed to a definition for the term Previous Pay Period. Previous pay period will be defined as cheque /stub in hand on the most current cheque an employee has in his/her possession with the exception of vacation pay.

This change will have no effect on the Christmas pay calculation as outlined in Article 38 of the Master Agreement. The parties agreed there will be no retroactive calculation or adjustment as a result of this change.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 6

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Classification Changes

The parties agreed to during the 2001 negotiations, to amend the classifications as outlined in the previous agreement, The Company agrees that the classifications as listed in the Schedule of Classifications and Rates of this Agreement will remain in effect for the life of this Agreement.

The above Agreement is subject to Technological Change and substantial changes due to automation.

To this end the Company agrees should any future modification be required, the parties will discuss and attempt to arrive at a mutual agreement. The mutual consent of both parties will be required prior to the implementation of the change.

Yours truly,

CM. Johnston



Human Resources Manager

No. 7

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Work Assignment Reduction

During the 2001 negotiations the parties discussed the practice of distributing the available work when breakdowns occur.

The procedure for reducing employees **within** a classification will be:

- 1) Non - posted employees by seniority
- 2) Posted employees who traded shifts
- 3) Temporary posted employees
- 4) Posted employees within classification by seniority.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 8

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Union Representation

During the 1986 Negotiations the Company and the Union discussed Union representation with respect to shift rotations.

The parties agreed that Union representation will follow the following patterns, a committeeperson who follows his/her shift on a 3 shift rotation will start at the beginning of the 3rd shift operation ex: 11 p.m. - 3 p.m. - 7 a.m. and if said committeeperson is slotted in a 1 or 2 shift operation his/her hours will reflect such shift along with any hours within his/her shift for representation and will be paid the applicable overtime rate for hours outside his/her normal 8 hour shift. Overtime will be at the end of the regular 8 hours. ex. 3-11 regular shift 11-12 one (1) hour overtime.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 9

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Upgrading Time Study Committeeperson(s)

During the 1992 negotiations it was agreed between the Union and the Company that the Time Study Committeeperson and his/her alternate will be in need of upgrading and to this end the Timestudy Committeeperson will be allowed one (1) day per month over and above the time spent Investigating time standards and grievances etc.

It is also understood that added training may be needed to upgrade the skills of the Timestudy Committee person and to this end the Company agrees to give such upgrading to the Timestudy Committeeperson.

The one (1) day may be extended by mutual agreement between the Union and the Company. All training will be at the sole expense of the Company.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 10

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Overtime Scheduling

During the 1992 negotiations it was agreed that, overtime may be worked in the following manner: If three (3) shifts are scheduled, the first shift to be worked will be 11:00 p.m. to 7:00 a.m., the second shift to be worked will be 7:00 a.m. to 12:00 noon, the third shift to be worked will be 12:00 noon to 5:00 p.m. The preceding hours will apply to scheduled three (3) shift operations only. If two (2) shifts are scheduled in a three (3) shift operation then the work hours will be 11:00 p.m. to 7:00 a.m. and 7:00 a.m. to 3:00 pm

The company will have the right to omit specific overtime shifts from the schedule.

We agree that if no overtime is scheduled for a holiday Friday, there will be no overtime worked on the Saturday, except in the case of emergency.

Where a two (2) shift operation is in effect and overtime is scheduled in excess of eight (8) hours (one (1) shift), the overtime will be scheduled in the following manner, Days - 7:00 a.m. to 12:00 noon: afternoons - 12:00 noon to 5:00 p.m.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 11

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Work Groups

During the 1992 negotiations the parties agreed that Work Groups may be implemented at the Chatham Operation during the life of this Collective Agreement, following discussion and mutual consent between the Company and the Union,

Yours truly,

C.M. Johnston
Human Resources Manager



No. 12

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Task Force

As stated in Appendix C the main body of the Process Control Task Force will be the Company Industrial Engineer, the Union Time Study Committeeperson, the Plant Chairperson, and the Human Resources Manager.

The Industrial Engineer will be responsible for setting the methods of operations prior to cycle reviews being done and making sure all concerned are informed of these methods.

The Industrial Engineer and the Time Study committeeperson will then do studies and work with other Task Force members, (i.e. Quality Control, etc.) to determine cycle times.

Cycle times, etc will be reviewed with Plant Chairperson and Human Resources Manager prior to implementation.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 13

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir:

Subject: Wash Up

If the Company requires operators to work during a washup period, the Company agrees to pay overtime premium for this time. It is understood that working during a washup will be voluntary.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 14

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Dear Sir

Subject: Chatham Performance Plan

During the 2001 negotiations the parties agreed to continue the Chatham Performance Plan with the following modifications:

The plan will be reviewed annually to address existing operational benchmarks.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 1

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Product Development - Stand Alone Application

As discussed and agreed to during meetings held the week of March 11, 1991, the parties agree that Product Development will be a stand alone operation in respect to outside production performing product development duties.

In the 2001 negotiations, the company and union agreed that formin boards will not be used by the product development personnel. Where product development equipment is needed to support production requirements the company reserves the right to staff that equipment with regular production employees.

It is further agreed that service parts will be produced by Product Development personnel, where production tooling is not available.

This letter will not negate or circumvent the Collective Agreement, but will form part of the Collective Agreement.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 16

Mr. G. E. Allen
Plant Chairman
CAW Local 127
Chatham, Ontario

SUBJECT: Company Identified Special Projects

As discussed during meetings held the week of March 11, 1991, the parties agree to address special projects in the following manner:

- a) The company will meet with the Plant Chairperson and discuss the specifics of the proposed special projects.
- b) A list of special qualifications will be jointly developed between the parties.
- c) Specifics such as shift assignment, job duties, etc., of the person assigned to the special project will also be jointly developed between the parties.
- d) A Special Project will be filled in the following manner: 1) The Company agrees to give first opportunity to the most senior qualified employee bidding on the Special Project temporary posting
- e) The successful bidder will not give up his regular posting but will not have rights to any overtime on his/her original job during the Special Assignment.
- f) The job(s) left vacant will be temporarily posted as per Article 4.
- g) Projects that are oriented to Skilled Trades will be posted and assigned within the Skilled Trades group. The same will apply to Production.



This letter will not negate or circumvent the Collective Agreement, but will form part of the Collective Agreement.

Yours truly,

C.M. Johnston
Human Resources Manager



NO. 17 PAGE 1 OF 2
November 23, 2000

Mr. G. E. Allen
Plant Chairperson
C.A.W. Local 127
Chatham, Ontario

The parties agree to implement the groups in accordance with the terms listed below, and job rotation information listed in each work group.

WORK GROUPS

WORK GROUP	345 Line A	345 Line B
CLASSIFICATION	345 line Group Operator	
RATE OF PAY	Rates as Per Schedule	
Compensated Washup or Breaks	.3	.3
Max Relief Periods Per day	8	8
Dinner Period/Washup	30 min	30 min
TOTAL MANNING	2	3



MERITOR

Work Group	Rover	Magnaglo
Employees will perform the current Duties of the listed	All Relief Inspection	Preset All Relief Inspection
Prior Class.		
POSTING OF JOBS	No	No
Reduction of Manpower:	Most Junior Employees From Combined Groups	

ROTATION: Group A & B Group will Rotate on Alternate Weeks

Additional Information * Based on 3 Shifts
*Assist on Setups

It is further agreed and understood that the relief periods, wash-up, and dinner relief periods listed above will not increase due to various relief structures included within the collective agreement (unless mutually agreed to between the Company and the Union) This letter applies to all employees who work within any of the defined work groups as listed above. The rates listed above do not include C.O.L.A. Compensated washup or break periods only apply if washups or breaks not taken (voluntary).

Yours truly

CM. Johnston
Human Resources Manager



Mr. G. E. Allen
Plant Chairperson
CAW 127
Chatham, Ontario

The Parties agree to implement the workgroups in accordance with the terms listed below, and job rotation information listed in each group.

Classification	Stab Heat	
	Line Group Operator	Treat S/U
Rate of Pay	Rates as Per Schedule	
Compensated Washup or Breaks	0	0
Max Relief Periods Per Day	8	8
Dinner Period/Washup	35 min	35 min
Total Manning per line	3	1
Work Group Employees will perform the Assist current duties of the Relief	Former Fitter Draw Inspection	Set Up Former
Listed Prior Class. Inspection	All Relief	
Posting of Jobs	No	No
Reduction of Manpower Employees	Most Junior Employees From Combined Groups	Most Junior Within Group
Additional* Information	*Assist on setups *Oil Quench not included in group * Based on 3 Shifts	*Lift truck *Maintain Shot



It is further agreed and understood that the relief periods, wash-up, and dinner relief periods listed above will not increase due to various relief structures included within the collective agreement (unless mutually agreed to between the Company and the Union] This letter applies to all employees who work within any of the defined work groups as listed above. The rates listed above do not include C.O.L.A. Compensated washup or break periods only apply if washups or breaks not taken (voluntary). Lift truck duties cover previously performed duties by set-up tongperson (Former). All set-up person will perform OPC/Quality checks where required.

Yours truly

CM. Johnston
Human Resources Manager



No. 18

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Key Positions

It is agreed between the parties to develop a list of employees to be used for key positions in the Plant operations to replace posted employees during any time of temporary absence (less than 45 days) or to fill temporary increased manpower needs in these **key plant positions**.

To facilitate the above, those employees whom have successfully posted will be trained in the key positions. Employees to be trained will receive the rate of pay they are entitled to receive by virtue of their posted classification **and/or choice** of jobs of the beginning of each workweek. The employee who accepts this assignment will retain his/her regular posting, but will not have rights to any overtime on his/her original job during the assignment in the area required.

This letter will not negate or circumvent the Collective Agreement, but will form part of the Collective Agreement.

If an employee is returned to the area in which he/she has been trained in, for a temporary assignment he/she will continue to be eligible for overtime in his/her posted classification as per Collective Agreement.

In the 2001 negotiations, the company and union agreed that, in order to keep all trained backup employees current, **opportunities to fill vacancies** will be assigned to the employee who has not filled the position for the longest period of time.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 19

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Sanitation Schedule

As discussed during the 1992 local negotiations the Company and Union agree that sanitation personnel may be scheduled to work weekend overtime on a non-rotational basis, after discussion between management, committee person and sanitation personnel.

In the 2001 negotiations, it was agreed that sanitation personnel will not be removed from the sanitation assignment for production work except when the position is not required due to plant population.

Yours truly,

CM. Johnston
Human Resources Manager



No. 20

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham Ontario

Subject: Quality Auditors

During the 1997 negotiations the parties discussed at length the current Auditor duties. As a result of these discussions it was agreed that the Auditor duties would be assigned to various work groups or operations with the Local 127 agreement.

It was further agreed that should customer requirements change and the various work groups or operations can no longer perform these duties the Company has agreed to reinstate the Quality Auditor classification into the Chatham Plant and it would be included in the Local 127 agreement.

An increase in the workload of the various work groups or operations will not necessarily cause the reinstatement of the Quality Auditor classification.

Yours truly

C.M. Johnston
Human Resources Manager



No. 21

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Forming Board Repair

As discussed during the 2001 negotiations the Company agreed that the Stabilizer Heat Treat Set-Up person will be able to complete small repairs, such as the changing of date stamps and end stop adjustments in line

Yours truly,

C.M. Johnston
Human Resources Manager



No. 22

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Outside Contractors

It is agreed that the following sub contracted work will not require an Intent to Contract letter. This however does not relieve management's responsibility to notify the Union.

Major Roof Repairs
Major Concrete or Asphalt Work
Installation or Repair of Sewer Lines (Below Grade)
Major Carpentry/Siding
Major Furnace Rebuilds
Quench Oil/Scale Removal
Specialized Sheetmetal Work
Load Monitor Calibration
Temperature Controller Calibration
Electrical Sub Station - Preventative Maintenance
Modification to Electrical Induction Equipment
Electrical Co-ordination Studies
Structural Steel Work
Electrical Discharge Machining
Brickwork (Building)
Painting

This letter will not circumvent prior agreements as listed in the Local or Master Agreements.

Yours truly,

CM. Johnston
Human Resources Manager



No. 23

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Trainee Classification(s) Replacements

It is agreed that any Set - up Trainee position (Board repair or Torsion Bar Set - up Trainee) will be filled on an as needed basis.

Notwithstanding the above when the trainee position is vacant for five (5) consecutive regular work days, (example: Vacation, Sick leave etc) Set-up trainee positions will be filled commencing with the first regular work day of absence.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 24

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Overtime Offering of Split Shifts

It is agreed to between the parties that whenever a split shift is required on a three shift operation, the following example will be followed:

EXAMPLE

The 3p.m. - 11p.m. shift operation must be filled.

Employees on the 7 a.m.-3p.m. shift will be offered the hours between 3pm-7p.m.

Employees on the 11p.m.-7 a.m. shift will be offered the hours between 7 p.m.-11p.m.

This offering of overtime will not violate the 20 hour clause of the Agreement.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 25

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Offering of 'Spare' Overtime Hours

Employees not scheduled for overtime on their own classification/shift will be offered "spare" hours (if scheduled) for their regular shift. Employees who are out 20 hours with other employees will be eligible to fill the remaining vacancies (as per Article 5.02).

Yours truly,

CM. Johnston
Human Resources Manager



No. 26

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Product Development Vacancies

Permanent Openings

When technicians are to be moved up, the longest serving technician will move up to the open permanent set-up position. That employee will be trained by a Product Development set-up person and if not capable of performing the set-up function within ninety (90) calendar days, then he/she will be placed in the spare persons pool.

Temporary Openings

When a temporary set-up position becomes available then the senior qualified Product Development Technician will move up to the open temporary set-up position.

Yours truly,

CM. Johnston
Human Resources Manager



No. 27

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Forge Set Up Responsibilities

The parties agree that Forge Set Up will assume responsibility for Forge die maintenance. Tool and Die responsibility in Forge tooling will be limited to machining or modifying tooling (excluding hand held grinding).

Yours truly,

CM. Johnston
Human Resources Manager



No. 28

Mr. G. E. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Job Changes and Dormant Classifications

Salvage Set Up Operators and Boxmaker Pallet Repair may assume the responsibility for their job specific material movement In cases of overtime, when Salvage is the only operation running, Production Lift Truck will be brought in to service the area. Likewise, Shipping will be brought in for Boxmaker.

The following groups will be considered dormant:

Inspection Auditor
Reamer/Rubber/Bushing S/U Operator
Camber Operator
Set Up Tong Person
Tong Person

Yours truly,

CM. Johnston
Human Resources Manager



No. 29

Mr. G. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Fulltime Health and Safety Representative

Dear Sir:

During the 2001 negotiations, it was agreed that the Plant Health and Safety representative would become a fulltime position subject to joint review of business conditions including such factors as: employment levels, incident frequency and other relevant plant factors.

In this case, the Health and Safety representative may no longer be fulltime, and will go back to his/her regular posting.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 30

Mr. G. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Dormant Classifications

Dear Sir:

During the 2001 negotiations, it was agreed that dormant job classifications and operations would be eliminated from the collective agreement.

Should the work of any of these classifications be returned to the Chatham plant, the appropriate classification shall be reinstated into the Collective Agreement with a rate of pay to be negotiated at that time.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 31

March 15, 2001
Mr. G Allen
Meritor Plant Chairperson
CAW Local 127
Chatham Ontario

Re: Continuous Improvement

The Company and the Union have had ongoing discussions concerning the implementation and outcomes of the *Continuous Improvement Initiative* underway at the *Chatham Plant*. During 2001 negotiations, agreement was reached on this memorandum to formalize the verbal commitments reached to date and to outline common goals and objectives for this critical change in philosophy.

1. As the *Continuous Improvement initiative* progresses, there is a possibility that manpower reductions will take place. This is to confirm the current understanding that no manpower reductions will occur as a result of any *Continuous Improvement initiative*. It is understood, however, that work assignments and classifications may change.

2. The Company and the Union are concerned that increases in throughput may result in people being required to work for extended periods without recovery time. This may result in increased lost time due to ergonomic problems. This is not the *intent* of *Continuous Improvement*. Changes to the work will be an outcome but this will be achieved by working smarter not harder.

3. A formal joint progress review program will be established that will consider plant performance metrics. These metrics will include worker satisfaction. This joint meeting will occur at least quarterly and more often if either the Company or the Union requests.

4. Safety is of foremost importance to all of us at the *Chatham Plant*. Worker safety will not be compromised by any *Continuous Improvement Initiative*. There is recognition that skilled trades have the necessary



expertise and training to complete certain assignments and this work will not be done by non-skilled trade people.

5. Ergonomic improvements have been included in the action items from the sub-committees that are ongoing at the **Chatham** Plant. Work improvements that come about, as a result of Continuous Improvement, will continue to include ergonomic improvements.

6. The two Site Leaders at **Chatham** will be going through extensive training. An outcome of Continuous Improvement is that ongoing training programs will be provided. These will be focused on work and work life improvements. The joint "Adjustment" committee will be the body that determines which programs will be provided.

7. The Company and the Union agree to continue with the current "Adjustment" committee as the overall steering group guiding implementation and scope for the Continuous Improvement initiative.

8. The Company and the Union **recognize that the** power and success of Continuous Improvement is built on the total engagement of all employees focused on a goal of improvements to the manufacturing process that will eliminate waste and result in work and work life improvements. The parties agree that this goal is so critical to the success of the **Chatham** Plant that neither party will withhold support, training and funding.

G. Allen
C.M. Johnston
Plant Chairperson

HR Manager



No. 32

Mr. G. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Sta-bar Heat Treat Line Ownership

Dear Sir:

During the 2001 negotiations, the Company and Union agreed that the Stabilizer Bar Heat Treat employees will no longer rotate from line to line.

Yours truly,

C.M. Johnston
Human Resources Manager



No. 33

Mr. G. Allen
Plant Chairperson
CAW Local 127
Chatham, Ontario

Subject: Forming Board Repair Duties

The forming board repair group will be allowed to perform all related repairs to forming boards, when off line, such as:
Spray Welding tooling
Hydraulic hose replacement

Yours truly,

C.M. Johnston
Human Resources Manager

APPENDIX "C" "
OPERATION OF DAYWORK PLAN AND
ESTABLISHMENT OF PROCESS CONTROL CYCLES

1.00 The basic principle of fair play and equity shall govern in the interpretation and administration of Process Control Cycles.

1.01 Process Control Cycle requirements will be established by a Process Control Task Force. The main body of the Task Force will be the Company Industrial Engineer and the Union Time Study Committeeperson, Human Resources Manager and Plant Chairperson.

The balance of the committee may vary in number dependant upon the operation being reviewed, and will consist of operator(s) and whatever management personnel required. (e.g. Quality Control)

1.02 The Task force shall establish process control cycles using snap-back stop watch time studies, predetermined time study methods and/or standard data compiled from previous studies. These studies shall be used by the Task force to determine process control cycles, but in no way do they limit the increase or decrease of the process control cycle requirements depending on the findings of the Task force.

1.03 It is clearly understood that both parties endorse the principle of a fair day's work for a fair day's pay.

1.04 When a dispute arises regarding a process control cycle, the employee(s) will take the matter up with his/her supervisor and his/her committeeperson. If the supervisor cannot resolve the dispute he/she will notify the Process Control Task force. The Task force will conduct an investigation and evaluate the facts in dispute. They will provide the supervisor and employee(s) with a reply concerning their findings on the disputed process control cycle.

If the matter is not adjusted at this stage, a further appeal may be lodged as provided in the grievance procedure as per Article 10 of the Master.

1.05 Basic Principles for Establishment of Process Control Cycle Requirements. When operations are being reviewed for the purpose of establishing Process Cycle Requirements the following conditions will prevail

Period of Agreement “

This Agreement will be effective as of March 15, 2001 and will continue in effect until March 14, 2004

FOR THE COMPANY FOR THE UNION

C. M. Johnston

G. E. Allen

P. J. Brennan

A. C. Neaves

J. D. Gooch

S. T. Karnas

G. Negri

M. D. Woodrow

G. Ryan

R. Jenner Nat Rep

C. Formosa

2001

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16	17	18	19	20	21	22	21	22	23	24	25	26	27	
23	24	25	26	27	28	29	28	29	30					
30	31													
APRIL							OCTOBER							
S	M	T	W	T	F	S	s	M	T	W	T	F	S	
			1	2	3	4	5				1	2	3	4
6	7	8	9	10	11	12	5	6	7	8	9	10	11	
13	14	15	16	17	18	19	12	13	14	15	16	17	18	
20	21	22	23	24	25	26	19	20	21	22	23	24	25	
27	28	29	30				26	27	28	29	30	31		
MAY							NOVEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					1	2	3							
4	5	6	7	8	9	10	2	3	4	5	6	7	8	
11	12	13	14	15	16	17	9	10	11	12	13	14	15	
18	19	20	21	22	23	24	16	17	18	19	20	21	22	
25	26	27	28	29	30	31	23	24	25	26	27	28	29	
JUNE							DECEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7	7	8	9	10	11	12	13	
8	9	10	11	12	13	14	14	15	16	17	18	19	20	
15	16	17	18	19	20	21	21	22	23	24	25	26	27	
22	23	24	25	26	27	28	28	29	30	31				
29	30													

MILTON MEMORANDUM OF AGREEMENT

between

MERITOR SUSPENSION SYSTEMS COMPANY
MILTON, ONTARIO
Hereinafter called "the Company"

and

NATIONAL AUTOMOBILE,
AEROSPACE TRANSPORTATION
AND GENERAL
WORKERS UNION
OF CANADA
(CAW-CANADA)
LOCAL No. 1067
herein after called "the Union"

March 15, 2001 - March 14, 2004

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Article 1 Union Representation:

1.01 The Company agrees to recognize a Bargaining Committee consisting of three members to deal with any matter arising during the lifetime of the Agreement. The Company agrees to recognize a three member bargaining committee to deal with Collective Bargaining, who shall be selected from the Plant Committee under Number 3 of this section. It is understood the Plant Chairperson shall be one of the committee members of the above committees and the President of Local 1067 shall be included as one of the committee, provided the President is an employee of the Company. When the President of Local 1067 is not an employee of Meritor Suspension Systems Co. he/she will not be included in the bargaining committee but may be invited by the negotiating committee to attend meetings as an observer.

1.02 Should there be a substantial increase in the working force that would necessitate a rezoning and additional representation in the plant, the matters shall be the subject of negotiations between the parties.

1.03 The Company agrees to recognize a Plant Committee and alternates, plus the Plant Chairperson and alternate chairperson for the purposes of representation in the plant in which they are respectively employed.

The Company agrees to recognize three (3) grievance zones to be allocated as follows:

Zone A - Coil lines

Zone B - Product Development Line ((P- D), Peeler, Pointer, No. 4 Coil Line, No. 5 Coil Line, No. 6 Coil Line

Zone C - Maintenance and Skilled Trades.

Changes may be made in the above zones after mutual agreement between the parties.

1.04 Committeeperson as provided in Clause 1.03 for the purpose of representation will be continued at work while work is available within their grievance zone.

1.05 For the purpose of representation, the Plant Chairperson and President, if the President is an employee, will be continued at work while work is available within the plant.

1.06 An employee when elected as the President of Local 1067, CAW, or as the Plant Chairperson, shall not, so long as such employee retain said office, be required by the Company to work any shift the regular quitting time of which is later than 4:30 p.m.

1.07 The parties agree that only those members of the Union Local who are employed by the Company may be elected as Plant Chairperson or Committeeperson.

1.08 The Union agrees to supply the Company with a list of all Committeepersons and their respective zones of operation and will keep such list up to date at all times. It is understood that only employees who have completed their probationary period will be eligible to hold any Union office. The Company agrees to post a list of all their Supervisors and those employees of the Company who are above the rank Supervisor, who will be dealing with the Plant Committee, and will keep such list up to date at all times. It is also agreed that the Company will post quarterly on the bulletin board employees holding supervisory capacity positions.

(a) Union reserves the right to appoint Committeepersons and Alternates in each Zone when they have three (3) or more employees in each Zone.

(b) Committeeperson and Alternate are to hold a classification or work in the Zone each represents.

(c) Company to advise union and employees of their Zone for Union representation in the miscellaneous groups after discussion with the Union.

(d) Company to recognize Alternate only in the absence from the plant of regular Committeepersons.

1.09 Allocation of Committeeperson The Chairperson and Alternate Chairperson will have overall jurisdiction.

DAY SHIFT

Zone A - One Committeeperson and One Alternate

Zone B - One Committeeperson and One Alternate

Zone C - One Committeeperson and One Alternate

AFTERNOON SHIFT

Zone A - One Committeeperson and One Alternate

Zone B - One Committeeperson and One Alternate

Zone C - One Committeeperson and One Alternate

NIGHT SHIFT

Zone A - One Committeeperson and One Alternate

Zone B - One Committeeperson and One Alternate

Zone C - One Committeeperson and One Alternate

1.10 Union Representation for overtime purposes only:

(a) The Committeeperson shall be continued at work if three (3) employees or more are at work in his/her jurisdiction.

(b) The Plant Chairperson shall be employed as long as there is overtime work available for ten employees, or if there are insufficient employees working on overtime in the plant to warrant bringing in the Committeeperson.

(c) Such Committeeperson may be assigned to perform work not previously scheduled or work for which an employee had failed to report to show, but in all such cases the Company will make every effort by telephone to call in employees in the same classification as held by the scheduled employee with the help of the Plant Chairperson or if absent, the Alternate, or in the absence of both, the Committeeperson. Where the Plant Chairperson or Alternate Chairperson is available to help telephone the employees to be called in, it is understood the regular Committeeperson will fill in on the scheduled job until the replacement employee reports at the work station. Should the Company, with the Union's help, be unable to obtain a replacement the Committeeperson shall fill in for the absent employee, if necessary, for the entire overtime shift.

(d) On a schedule overtime when a Committeeperson cannot work overtime, the Company shall recognize the Alternate Committeeperson, provided the Company has been given one (1) hour's notice by the Committeeperson prior to the end of the shift

(e) When unscheduled overtime is to be worked and the Committeeperson cannot work, the Company shall recognize and notify Alternate.

Article 2 -Transfers

2.01 Employees who are permanently transferred from their classification shall do so consistent with their seniority under the terms of this Agreement.

2.02 Employees who are temporarily transferred from the classification shall do so consistent with their seniority provided they can do the full job following normal introductory instructions. On temporary transfers to higher paying jobs within the department senior employees within the classification reduced shall be given preference to the transfer.

(i) Employees transferred because there is a lack of work in their job, or transferred in a layoff sequence will take the rate of the job to which they transfer. Employees transferred for any other reason will take the rate for the job or their own rate, whichever is higher.

(ii) Employees temporarily transferred under this article will return to their classification where work is available for eight (8) hours or more and prior notice has been given to the Company of absenteeism.

2.03 Set-up persons will have top seniority while working in their own group, but if transferred to another group to do work, they will take their own plant wide seniority. Set-up persons are responsible for the direction of the work **under their jurisdiction**, as well as set up equipment and dies, and will instruct the employees in their group.

A Set-up person does not have disciplinary authority and shall not make any written or oral disciplinary reports to the Company.

In Layoff situations Set-up persons may be retained at work in their classification out of line of seniority as long as there are not qualified senior employees who have demonstrated **that they** are capable of doing the work.

Article 3 - Layoffs and Recalls

3.01 When the Company determines it is necessary to curtail production in a department or in the plant as a whole for a period exceeding four (4) work days, employees will be laid off on the basis of their plant-wide **seniority**, probationary employees first, then commencing with the employees with least seniority, provided that the employees to be retained are able and willing to do work available. Those

employees laid off will retain their classifications for four weeks. If they are not recalled to work for the first regular work day following a four (4) week lay-off, their jobs will be subject to the job posting procedure in Article 5.

3.02 When the Company determines it is necessary to curtail production for a period not exceeding four (4) work days, it is agreed that the employees may be laid off, and the Company will not be obliged to follow the seniority provisions.

However, no employees may be laid off for more than twenty (20) working days without regard to their seniority according to this clause during the life of this Collective Agreement.

3.03 (a) In the adjustment of the working force prior to the job postings procedures.

(i) Displaced employees retained at work will be placed in the resulting vacancies within their department consistent with their seniority.

(ii) Displaced employees retained at work and not assigned in accordance with 3.03 (a) (i) shall be given preference consistent with their seniority to fill available jobs within the plant.

(b) Jobs not filled through the posting procedure will be filled by employees retaining the classification consistent with their seniority.

3.04 The Temporary layoff provisions shall not be used for the purpose of avoiding Company-wide seniority adjustments by scheduling a series of temporary layoffs.

3.05 When the Company considers it necessary to increase the number of employees in the bargaining unit, employees with seniority rights shall be recalled, in line with their plant wide seniority.

3.06 Thereafter, in a rehire after a layoff, the Company will recall probationary employees with twenty (20) days of service who have been laid off.

3.07 Probationary employees who are separated from the payroll of the Company due to a reduction in staff shall be informed at time of separation whether they are permanently laid off or will be recalled.

3.08 Notification of Layoff and Recall When a layoff lasting more than four (4) days is about to become effective, the Committee and the employees will be notified as far in advance as possible but in any event no later than five (5) working days in advance of the layoff to enable the Committee to check the seniority list to make sure that employees are laid off in their proper order.

3.09 When recalls are made after such layoff, the Company will recall by telephone with the Plant Chairperson, or the Alternate Chairperson, or a Committeeperson in attendance. If employees refuse to accept the recall, or cannot be reached by telephone, the Company shall send registered letters to the employees, but in the meantime may fill necessary vacancies by recalling other employees in line with seniority by telephone. When the employees recalled by registered letter appear on the date indicated in their letter, they will displace the employee holding the least amount of seniority in the plant.

Article 4 - Exceptions to Seniority

4.01 Employees who must through medical evidence work a steady day shift temporarily will not be eligible for job postings or overtime assignments. Said employees will also give up their classification temporarily.

Article 5 - Filling of Job Vacancies

5.01 All openings, with the exception of those jobs that have trainee classifications, shall be posted plant-wide for forty eight (48) hours.

5.02 The employees having the greatest amount of seniority and who are able and willing to perform the job required shall be entitled in filling the opening to preference over any employees having less seniority.

5.03 Employees working in that classification which is posted as an opening will notify their supervisor, in writing, during the hours of the posting that they request the job vacancy. The Union will be given a copy of the written notification, Preference will be given to the senior employee, and there will be a limit of three moves for each job posting under this article. Job postings will include information in which classification preference requests can be made. This clause shall only apply to permanent job postings.

5.04 An applicant may not obtain more than two (2) separate jobs in

a twelve (12) month period through the job posting procedure unless the job is abolished or new jobs are created as a result of the introduction of new equipment or processes in which case a third Bid will be allowed in the twelve (12) month period. Apprenticeship applications will not be considered a job bid under this Article.

5.05 Prior to the filling of job openings, said openings shall be discussed between the Company and the Union.

5.06 The Company has the right to fill job openings temporarily, subject to job posting procedure, and such transfers shall be discussed with the Union.

5.07 The Company shall provide proper forms in triplicate for employees to apply for a job opening, one copy to be retained by the Company, one copy to be retained by the employee, and one copy to be submitted by the employee to the Plant Chairperson. Copies of all job openings which are posted shall be submitted to the Plant Chairperson. Employees must place their application signed by a Supervisor in the job posting box no later than 10:00 a.m. on the Wednesday following the job posting. The successful applicant's name shall be posted on Wednesday afternoon.

5.08 All job openings must be posted by 10:00 a.m. on the Monday following the occurrence of the vacancy. The successful applicant filling the vacancy will be placed on the job on the second Monday (or Sunday if applicable) following which is the beginning of the week.

5.09 The successful applicant to the job opening shall be required to accept the job.

(a) Re Trainee Classification - Employee must be upgraded when the opening in the classification occurs, by the length of service in the trainee classification.

(b) Upgraded trainees may not bid directly back to the same trainee classification.

(c) Trainees upgraded resultant to operational increases will attain permanent status after four (4) continuous weeks on the job.

5.10 The procedure as to the posting of temporary vacancies will be governed by agreement between Management and the Bargaining

Committee and will generally be as follows:

- (1) It is agreed that temporary vacancies will not be posted unless there is an opening for at least a four week period.
- (2) Temporary vacancies will be posted Plant wide.
- (3) An employee cannot hold more than two temporary postings in a twelve month period.
- (4) Employees will not be permitted to bid for another temporary vacancy so long as they are holding a temporary posting.
- (5) Temporary openings will be reposted after twelve (12) months.
- (6) Employees holding a temporary posting who bid on a permanent posting will be required to take the permanent opening as per the job posting procedure.
- (7) Temporary job postings of actual duration less than four (4) weeks will not be counted as a bid.
- (8) Each temporary opening will be posted to fill actual vacancy only.

Article 6 - Overtime Allocation

6.01 Overtime will be equitable distributed among those employees in their classification. The company will distribute overtime in any classification within a differential of 24 hours of overtime work.

6.02 If the overtime to be worked is in excess of the amount which can be handled by the employees who are entitled to this work, then additional employees with the least amount of overtime will be added from the same zone.

6.03 If further additional employees are needed, then those employees with the least amount of overtime in the plant will be added providing they are willing and able to do the work concerned.

6.04 On a call-in overtime opportunity, the Company shall have a Union representative present as outlined in Clause 1.10 (c) when making telephone calls provided such representative is present in the plant.

6.05 The Company shall charge, record daily and post weekly overtime hours worked by all employees.

(a) Employees holding a classification through a temporary job posting, or employees who have worked thirty two (32) hours in the said classification immediately prior to the overtime being required (except for temporary transfers for minor periods of time) will assume the overtime hours of the absent employee. This clause will not apply to employees classified and posted as Utility unless mutually agreed.

(b) Employees transferring through a permanent job posting or through adjustment of the work force (this does not apply to Committeepersons) or new employees, shall be given the average hours of the classification.

(c) All hours of overtime worked or paid shall be charged.

(d) All overtime hours refused or not worked for any reason shall be recorded and charged with the exceptions of an employee's vacation period and hours of attendance at a scheduled Union meeting.

(e) Employees who have accepted an overtime assignment and do not report or advise the Company prior to the lunch period (12.00 noon days, 8.00 p.m.- afternoons, and 4.00 a.m. - midnights) of their last regular scheduled workday will be charged triple for that overtime assignment.

(f) On two (2) shift operations when overtime is scheduled after the end of the second shift, employees will be asked to work the overtime prior to the lunch break.

(g) The Committeeperson from the zone requiring the majority of employees for overtime will assist the Supervisor in drafting the overtime list and canvassing said employee for overtime. When the committeeperson from the zone requiring the majority of employees for overtime is unavailable the Alternate will be used, if both are unavailable the duty will be that of the Committeeperson (or alternate) of the zone.

(h) Persons returning to work from absence due to Accident and Sickness or WSIB will be reaveraged into the overtime record provided the absence has been four (4) consecutive work weeks or more beginning on a Monday.

Article 7 - Hours of Work

7.01 The Company does not guarantee to provide work to any employee for regular assigned hours or for any other hours, but will discuss with the Plant Committee any change in hours before such change is posted. The Company shall post in the plant the schedule of starting and quitting times for the different shifts, Before any change is made in shift hours, or before any extended period of overtime is scheduled, it is understood and agreed that any change of shift hours will be discussed with the Union.

7.02 The hours of work shall be consecutive once started and the Company agrees no employee shall be required to work a steady afternoon or night shift.

When more than one (1) shift is being worked, employees so working shall alternate in the case of two (2) shifts, or rotate in the case of three (3) shifts every two (2) weeks, unless otherwise mutually agreed to between the parties.

7.03 On such jobs as feeding furnaces, unloading draw ovens, lighting fires, or any other jobs which require a different starting and stopping time than the regular starting and stopping times, such employee will be paid overtime only for the time worked in excess of eight (8) hours per day or forty (40) hours per week.

Such schedules will be posted bi-weekly.

On shot blast operations the parties agreed that the work schedule and lunch periods shall be arranged so that no piling down is required except beyond planned control.

7.04 Total Regularly Assigned Hours of Work Per Week:

Day Shift	Afternoon Shift	Night Shift
40	40	40

The present starting and stopping times for a one (1) and a two (2) shift operation are:

Day Shift 7:00 a.m. to 3:30 p.m.
Afternoon Shift 3:30 p.m. to 12:00 midnight

The present starting and stopping times for a (3) shift operation are:

Day Shift 7:00 a.m. to 3:00 p.m.
Afternoon Shift 3:00 p.m. to 11:00 p.m.
Night Shift 11:00 p.m. to 7:00 a.m.
1/2/ hour lunch periods

The parties recognize that other schedules of work are in effect to cover special operating needs such as are outlined in clause 7.03.

The commencement of the work week shall be 11:00 p.m. Sunday night.

Article 8 - General

8.01 Where employees have been injured or are returning from illness to their job which as agreed to by the parties is a physically demanding job, the employees will be given reasonable help for a few days to enable them to regain their strength before being required to do the full job.

8.02 All time sheets of each employee must be approved by the shift supervisor. Employees will be notified through the supervisor of any change made to their time sheet.

8.03 The parties will continue to co- operate in the rehabilitation of employees with drug, alcohol, or similar problems and where appropriate, the employee will continue on S and A benefits

8.04 The Company agrees to continue to provide bootreplacement and clothing repair or replacement if ruined on the job because the employee was required to perform an unusual job.

Article 9 - Skilled Trades

9.01 The conditions governing recognition, representation of other working conditions applicable to the skilled trades, shall apply to employees in the following classifications, except as may be altered by this article. Additional classifications may be negotiated by the parties during the life of this Agreement.

- (a) Tool and Die Maker
- (b) Electrician
- (c) Millwright
- (d) Industrial Welder
- (e) Lead Hand and set up

9.02 Seniority in the skilled trades shall be non- interchangeable occupations or trades within a department or group of departments. Seniority lists shall be by basic trades or classifications.

9.03 Employees presently working under classification of trade listed in one of the above as of thirty days following ratification in 1977 shall have their total seniority in their classification or trade.

Future employees entering a classification or trade shall have date of entry seniority in the skilled trades as listed in one of the above.

9.04 Production workers will not carry seniority into the trades or classifications listed in 9.01 above nor will skilled tradesworkers exercise seniority into production or non- production groups except where a classification or trade listed in 9.01 above is discontinued or eliminated.

Such employees will then exercisetheir total Company seniority for the purposes of displacing a junior employee in the classification or trade for which they are qualified, or shall exercise all their Company seniority in the general production or non- production groups under the Agreement.

(a) Should skilled trades employees become medically unfit and unable to follow their skilled trade both the company and the Union will cooperate in endeavoring to place such employees on a job they are capable of performing taking their total seniority with them. However if placed in a non-skilled classification, they shall then forfeit all rights within the skilled trades. Notwithstanding the above, if such employees fully recover which is substantiated by a medical certificate, they may then be fully reinstated back into the trades. Employees so transferred will receive the rate for the job being performed

9.05 The term Journeyman as used in this Article, shall mean any person who:

(a) are presently working within the Journeyman classification in the Plant as outlined in Section 9.01 or,

(b) have served a bona fide apprenticeship of four (4) years- 8,000 hours and have a certificate to substantiate their claim of such apprenticeship service or,

(c) persons who carry a **recognized** Journeyperson card in any of the foregoing trades or,

(d) persons who have had eight (8) years of practical experience in the skilled trades classification in which they claim Journeyperson designation and can prove same.

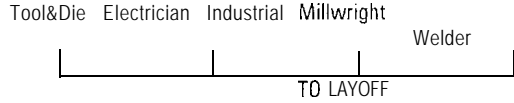
9.06 Any further employment in the skilled trades occupations as listed in one of the above, after signing of this Agreement, shall be limited to Journeypersons and Apprentices.

9.07 Vacancies in the skilled trades classification shall be filled first by job posting. If no suitable applicants are available, new employees may be hired.

9.08 In the event of an increase or decrease in force in any skilled trade of classification as designated above, the following procedure shall apply:

(a) if any employees are to be reduced from any skilled trade or classification, such employees will be laid off or transferred in order of their seniority from such skilled trade or classification, as per flow chart.

AS PER 9.08 (a) SKILLED TRADES LAY OFF FLOW CHART



(b) Employees affected by a lay-off or cut-back in manpower as per (a) above shall be offered preferential employment over new hires to fill an open acquisition at the Company employment office.

9.09 Recalls shall be made in reverse order of layoffs

9.10 A set-up person of skilled trades employees shall be defined as one who is a skilled trades employee, who while engaged in one's regular skilled trades occupation leads or processes the work of two or more employees.

9.11 The Company will discuss with the Union any dispute on job assignments which prevails to the proper classification within the framework of present practices.

9.12 All work performed in the skilled trades shall be done by employees who are covered by classification and rate as outlined in the Agreement between the Company and the Union with the framework of present practices.

9.13 Nothing in this Agreement shall be construed so as to deprive any employee of skilled trades of any rights, privilege, such as insurance, pensions, S.U.B. holiday or vacation pay, etc. that are covered in the body of the General Agreement.

9.14 The Company will deduct from the earnings of all skilled trades employees, the sum of one half of one hour's pay per year in the month of February, and such deduction to be forwarded to the Financial Secretary of the Local Union. New employees will have fees deducted from the first pay.

9.15 General

(a) Set- up as defined in 9.10 will receive 15 cents above the employees they are leading or shall receive that rate while at work without supervision.

(b) Company agrees to replace personal tools of skilled tradespersons worn or broken in the course of their duties while in the Company's employ, provided the employee's worn or broken tools are handed in to the Company.

Article 10 - Schedules:

Attached hereto and forming part of this Agreement are the following schedules:

1. Schedule A - Classification and Wages
2. Schedule B - Relief
3. Schedule C - measured Daywork Plan

Article 11

This Local Agreement shall terminate in accordance with the

wording and dates as set out in the Master Agreement. Duly executed by the parties hereto this 15th day of March, 2001, at London, Ontario.

FOR THE COMPANY

J. Gates
H.J. MacKinnon
J. Hall

FOR THE UNION

R. Jenner, Nat. Rep.
B. Gillis
G. Adams
J. Fabiano
J. Kenney

SCHEDULE 'A'
 CLASSIFICATION AND WAGES
 MILTON PLANT

	EFF 3/15/01	EFF 3/15/02	EFF 3/15/03
(Zone A) Coil Lines			
Line Set up Operator	\$20.18	\$20.63	\$21.13
Line Set up	20.98	21.43	21.93
Crane Steel Stock Control	20.03	20.48	20.98
Crane Rework	19.99	20.44	20.94
Line Set up Trainee	20.53	20.98	21.48
(Zone B)			
Shipping-Rec. Trainee/Service	20.36	20.81	21.31
General Labour	19.54	19.99	20.49
Q.A. Set up	20.71	21.16	21.66
Inspector	20.23	20.68	21.18
Inspector Trainee	20.13	20.58	21.08
Spring Technician	20.71	21.16	21.66
Spring Technician Trainee	20.61	21.06	21.56
Sweep Sanitation	19.74	20.19	20.69
Shipping and Receiving	20.46	20.91	21.41
Trucker	20.14	20.59	21.09
Stockroom Attendant	20.14	20.59	21.09
Continuous Improvement Facilitator	21.98	22.43	22.93
Peeler Set up	20.68	21.13	21.63
Peeler Set up Trainee	20.58	21.03	21.53
P-D Set up	20.58	21.03	21.53
P-D Set up Trainee	20.19	20.64	21.14
#4 Coil Line			
Line Set up	21.13	21.58	22.08
Line Set up Operator	20.24	20.69	21.19
Sort Packer	20.19	20.64	21.14
Pointer Set-up Operator	20.58	21.03	21.53
Utility	19.88	20.33	20.83
Viper Assembly	19.88	20.33	20.83
Line 5			
Line Set-up Operator	20.18	20.63	21.13

Line Set-up	20.98	21.43	21.93
Line 6			
Line Set-up Operator	20.18	20.63	21.13
Line Set-up	20.98	21.43	21.93

Zone C (Skilled Trades)

Tool & Die maker	23.74	24.64	25.64
Electrician	23.68	24.58	25.58
Millwright	23.64	24.54	25.54
Industrial Welder	23.64	24.54	25.54
Maintenance helper (rate only)	19.91	20.36	20.86
"Light up, Burner Repair &"			
Greaser - Oiler	20.71	21.16	21.66
"Light up, Burner Repair & "			
Greaser-Oiler Trainee	20.61	21.06	21.56
Health and Safety/ Good Idea Person	23.64	24.54	25.54
Skilled Trades Setup	23.89	24.79	25.79

* Senior St. John's Ambulance representative to receive 15 cents per hour above classification rate.

* Other St. John's Ambulance representative to receive 10 cents per hour above classification rate when on duty.

* Safety Committee Members to receive 10 cents per hour above classification rate.

* Rate adjustment for Manual Hot Bulldoze work t 4 cents per hour above Utility rate, **magnaglo** work + 5 cents per hour to Inspector rate.

* Light up, Burner Repair, Greaser-Oiler classification in Zone "C" if for Union representation only

* Utility classification covers absenteeism as required in Zone "A" and "B" along with other duties.

* No. 4 Coil Line Set up operators upgraded to line Set up on voluntary basis in line with Service in classification.

HR(S)	LINE SET UP OPERATOR			RELIEF
	COIL	HOT SET	TEST	
1 & 2	A	B	C	12 MIN/HR
3 & 4	C	A	B	12 MIN/HR
5 & 6	B	C	A	15 MIN/HR
7 & 8	A	B	C	12 MIN/HR

NOTE: JULY & AUGUST 15 MIN/HR IN 5, 6, 7, 8TH HOUR

Junior Line Set up operator (Line 1,2,&3) 1st Off Line if a crew size reduction is made

Line Set up operators will rotate in a relief pattern as above:

* Line Setup (Line 1,2,3, 5 & 6) to be posted as a separate job and if new setup comes in, outgoing set up shall assist in training up to 2 full weeks."

* Line setup operators will assist in training new operators.

* Line setup operators (Line 1,2,3, 5 & 6) will be responsible for shot clean up, general housekeeping and rework feeding during relief.

* Sr. Q.A. Inspector on shift shall back up absence of Q.A. Setup, except for vacation/extended absence for Sr. Q.A. Inspector will back up

* Q.A. Set up will be last Q.A. Inspector canvassed for overtime opportunities.

* Q.A. Inspector role on Line Crew (Line 1,2,3, 5 & 6) will include:"
 Q.A. Meritor control program
 Reports: Rework/scrap daily
 Gauge calibration
 Shot particle size work ups
 Assist in fatigue testing
 Inspector will be able to rotate lines and back up Q.A. Set up

* Set up skilled trades will receive \$.15 cents/hr above the highest rate they are leading or shall receive that rate while at work without supervision.

* The Health and Safety/Good Idea Person position is a Zone C posted classification subject to the job posting procedure of the collective

agreement. Qualifications and position details are mutually determined by the company and union representatives and will be included in the job postings.

* It is agreed that the Good Idea/Safety Person shall be the last asked for work in the millwright classification

SCHEDULE "B"

Relief

(a) In order to provide relief periods the parties agreed to set out a schedule of relief periods within letters of agreement which are recognized by the Company as part of this Agreement. Effective on the commencement date of this Collective Agreement such schedules shall be posted in the applicable departments.

(b) If any adjustments of the work load or work force is necessary, relief periods shall be open to negotiations between the Union and the Company.

(c) For clarification, it is understood that where a ten (10) minute rest period occurs there will be no additional relief period in that hour.

SCHEDULE "C"

OPERATION OF MEASURED DAYWORK PLAN & ESTABLISHMENT OF PRODUCTION STANDARDS

1. General Principles

1.01 Measured Daywork is a system of establishing standards of production and measuring the performance of individuals and/or groups against the established standards. Basically, this consists of developing fair and reasonable production standards and developing a means of providing management with information on delays which pending Master Agreement are neither the fault nor the responsibility of the operator.

1.02 The details included in this plan are designed to minimize areas in which misunderstanding may occur. Where situations arise which are not specifically covered by this plan, it is agreed that the basic principles of this plan will apply to such situations. The basic principle of fair play and equity shall govern in the interpretation and administration of production standards.

2. Establishment of Production Standards

2.01 Management clearly *recognizes* its responsibility to maintain fair and equitable production standards. By spelling out the principles governing the establishment and maintenance of production standards, misunderstanding and disagreements will be avoided in the future which otherwise only complicate relations between Management and the Union. A copy of the manual describing the work measurement procedures and methods of calculating the production standards shall be made available to the Union.

2.02 Management shall establish time standards using a combination of continuous and snap-back stop watch time studies, and standard data compiled from such studies. It is understood the elapsed time to take a time study will be listed on the study. Predetermined time values may be used to develop standard data, however this data will be validated *utilizing* stopwatch time study *prior to* application of standards. The basis for the establishment of time standards shall be clearly set forth, and all the supporting data shall be available for examination by a time study representative of the Union. The Union may request that the basis for setting a standard be clearly explained to it. Due consideration will be given to personal time, rest allowances, delays time keeping and contractual relief periods.

2.03 It is clearly understood that both parties endorse the principle of a fair days work for a fair days pay. Therefore a new standard may be challenged only after it has been given a fair trial by a normal experienced operator. A fair trial shall not be in excess of five days after notification by the Management to the employees involved.

2.04 Any adjustment in the standard resulting from the processing of a grievance shall be effective as of the date of settlement of the grievance, provided the grievance was filed no later than ten regular working days from the date of issue. Upon settlement of any such grievance such standard shall not thereafter be subject to challenge under the grievance procedure unless the conditions affecting the job result in a change in the job as hereafter provided.

2.05 The Company will *recognize* the union time study committee person for the purpose of investigating production standard disputes. It is further agreed the functions of such time study representatives shall not be restricted in the performance of their duties,

including reimbursement by the Company for time consumed during which investigations as set forth in Article 9 of the Master Agreement.

2.06 (1) Where a dispute arises regarding a production standard, employees may take the matter up with their supervisor and their committee person. If the supervisor cannot resolve the dispute, the Industrial Engineering Department supervisor or designee will be notified. The Industrial Engineering Department will conduct an investigation and evaluate the facts in dispute. They will provide the supervisor and employee a verbal reply concerning their findings on the disputed standards.

(2) If the matter is not adjusted at this stage, a further appeal may be lodged in the grievance procedure.

(3) Upon receipt of the grievance on the disputed standard through the grievance procedure, the Industrial Engineering Department will carry out an investigation in preparation to providing Management with a written reply to the grievance as filed. The Union may, at this time, have their planttime study representative investigate the disputed standard for the purpose of advising the Committee on the findings.

(4) In the event the grievance has not been settled in the manner hereinabove stated, it may be submitted to arbitration by the Union in the manner described in Article 10 Clause 10.01 (b) of the Collective Agreement between the parties.

3 - Principles for Establishment of Production Standards

3.01 All production standards shall be expressed in units per hour and standard hours per unit of production. Standards shall be based upon operations as designed by the Company and performed by normal experienced operators working under normal conditions with 100% considered as normal performance.

3.02 When operations are being studied for the purpose of establishing production standards, the following condition must prevail:

- (a) Operators must be informed that their operation is to be studied.
- (b) Operators must be completely familiar with the prescribed method.

- (c) Operators shall not be serviced or assisted by anyone, except those whose job it is to service and assist.
- (d) The study shall be taken under normal working conditions, using stock and materials which the operator can normally expect to receive.

4 - Production Standards for Machine Paced Operations

4.01 Where the operator has idle time during the machine portion of a cycle because of the nature of his work, Management shall have the right to add additional work to the operation at a future date so as to fully utilize the operator's production standard provided the additional work does not create safety or health hazards to the employee beyond that normally associated with the operation.

5 - Production Standards for Group Operations

5.01 Where a group or line is set on several operator positions, the standard shall be based upon the slowest operation of the group or the bottleneck operation and noted as such.

5.02 In a group or bottleneck operation the work content of any under loaded operator position may be added to so as to fully utilize the time of the operators without adding to the production standard. Should such addition create a new imbalance between the operator positions, the production standard for the group and the individual operations will be recalculated on the basis of the new bottleneck. In each such case, the controlling station will be clearly identified.

5.03 Similarly any change in the bottleneck operation which creates a new imbalance between the operator positions may necessitate the recalculation of group and individual standards.

6 - Definition of Operation and Work Covered by a Production Standard

6.01 For the purposes of production standards administration, an operation shall be defined as the performance of a task as set out in writing by the Company and using the equipment, materials and meeting the quality requirements as specified by the Company.

6.02 Following from the definition of an operation, a change of operation shall be defined as a change in any of the work procedures, quality requirements, equipment or materials which were originally specified.

6.03 A change in operation will require that a new production standard be established, and the Union shall be notified as to what elements have been changed in the job. Only those elements affected by the change may be re-established.

6.04 If the elemental change(s) do not alter the normalized time per piece by plus or minus 5% or more, the details will be held in abeyance until such time as a further change or changes occur at which time or times it will be determined whether or not the time per piece in the established standard has been altered by plus or minus 5% or more. Only at a time when the cumulative or combined changes alter the normalized time per piece by plus or minus 5% or more shall the new standard be made effective. Changes of less than plus or minus 5% will be recorded on file. A copy of such changes will be forwarded to the Union.

6.05 Management will only change standards based upon bona fide operation changes which can be documented.

6.06 Should it be found that a mathematical or clerical error, which can be clearly demonstrated as such was made in the calculation of a production standard, Management will recalculate the standard and place it in effect after notification to the Union.

6.07 Whenever the Company introduces a new part number or product to replace an established part number or product, production standards for like operations will remain the same. Any change in production standards for operations now performed on the new part number of production as compared to the established part number or product will conform to the procedure for changing standards as shown in Article 6.

7 - Maintenance of Equitable Time Standards

7.01 Each time standard shall be designed for the particular task done on similar machines, e.g., taper roll units.

8 - Measured Daywork Plan

8.01 Production standards will be established on the basis of a normal experienced operator working at a normal pace (100%) which can be maintained throughout the work shift.

8.02 Employees working on job assignments where production standards have been established are expected to produce to the standard (100%).

8.03 Off- standard conditions will be measured and allowed for as an element of work within the established standard. Off-standard conditions will normally fail under the following categories:

(a) Employees are specifically instructed to work on their normal job with non-standard material.

(b) Employees are specifically instructed to work on their normal job with the machine or machinery operating above or **below** the speed or conditions specified in the production standards,

Operators will not be held accountable for any condition over which they have no control and such conditions shall be recorded.

8.05 All scrap or sub-quality production shall not be counted as pieces produced but will be recorded separately.

8.06 Each employee shall be responsible for accurately recording his/her production and time spent on job assignments each day in the method prescribed by the Company. In the case of a group operation, the reporting will be the responsibility of the setup operators attached to the group.

8.07 All of the matters covered in the Measured **Daywork** Plan are subject to provisions of the collective agreement.

8.08 The allowance structure to be in effect for the life of this agreement is detailed on the document entitled Engineered "Standards Program, Milton Allowance Structure and dated **January 7, 1980**. Copies will be published and given to the Committee.

LETTERS OF INTENT

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No. 1
November 23, 2000

Mr. Brad Gillis
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:
Re: Measured Daywork

The parties agree that for the term of this Agreement no new basic system or reporting will be introduced. However, the present system may be refined as required. The Company will agree to permit 30 days for grievances to be lodged following the general publication of standards at Milton following the ratification of the new collective agreement.

FOR THE COMPANY FOR THE UNION

J. Gates
H.J. MacKinnon
J. Hall

R. Jenner, Nat. Rep.
B. Gillis
G. Adams
J. Fabiano
J. Kennedy



No. 2
November 23, 2000

Mr. Brad Gillis
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: Continuous Heat Treat

During the 1985 negotiations resulting in this Agreement, the parties agreed that current practices on continuous heat treat would remain in effect during the life of this Agreement unless otherwise mutually agreed to.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



No. 3
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: Filling Temporary Job Vacancies

During the 1988 negotiations resulting in this agreement the parties discussed the filling of temporary job vacancies within the scheduled work week. It is recognized that some jobs require particular job skills. In the selection of a suitable replacement(s) the parties will not be held to the normal provisions of the collective agreement but will mutually agree on a replacement taking into account the skills required for the job.

Yours truly,

H. J. MacKinnon
Manager, Industrial Relations



No. 4
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis

Re: RELIEF SCHEDULE (Including wash- up)

The parties agree to relief times as follows.

Line 1, 2, 3,5 and 6 Set-up operator Average 106 minutes per shift

Pointer Setup Operator	90 minutes per shift
Manual Hot Bulldoze	90 minutes per shift
Line 4 Setup Operator	90 minutes per shift
Sort Packer	90 minutes per shift
All Other	30 minutes per shift

It is understood, however, that on three shift operations there may not be sufficient time in the last hour of the shift to provide for both relief and wash-up: and accordingly, the wash up will be deemed to be included in the specified relief.

Pointer set-up operators will utilize relief over 2 hour intervals or more. The Company reserves the right to utilize tag relief on all jobs.

Manual dogging of pointed bars to receive an additional 10 minutes relief per hour.

Single test-pack operator to receive additional 5 minutes relief per hour.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



No. 5
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: SKILLED TRADES PRACTICES

The parties agree that the following skilled trades practices will continue in effect:

1. The Company agrees to provide sufficient supply of Coveralls, Smocks, (identified by Clock Number) and Leather Aprons for the Skilled Trades classifications, as well as a supply of salt and pepper gloves for those who need them.
2. **Apprentice Pay - Holidays**
The Company agrees to pay apprentices (see apprentice agreement) at their present rate plus the increase they would have received had they remained on their previous job; i.e. the annual improvement factor. The Company agrees to allow apprentices to take statutory holidays missed because they were attending school, after they complete the school session. Further to this it is understood that skilled trades required to attend school during their shift will be receive their normal hourly rate to attend classes. This must be prearranged with the shift supervisor.
3. **Hours Worked** -The Company agrees to keep daily records and make available to the employees.
4. The Company agrees to pay skilled trades on weekends and shutdown periods based on a three shift operation.

5. During plant shutdown periods when no production is scheduled on 2nd or 3rd shift, skilled trades employees will normally be scheduled onto a 1st shift schedule. It is understood partial production schedules (ie. less than normal operations) will be supported by skilled trades employees, albeit a partial coverage to suit the schedule and the balance of the normal crew will be scheduled onto a 1st shift schedule.

6. The Company and Union agree to Implement regular shift start-up meetings in the skilled trades group via 15 minutes early on all scheduled shifts. The start-up meetings shall cover current events, contracting-out information, safety information and other data pertinent to successful daily operations. It is understood attendance at these meetings is required and that such meetings shall continue provided the parties use this provision gainfully in support of the overall operation. Appropriate rates will apply as per the collective agreement.

7. The company will train skilled trades electricians on safe troubleshooting techniques of overhead cranes. It is understood crane servicing and major repairs shall continue to be provided by licensed overhead crane mechanics and qualified lifting device inspection companies.

8. During the discussion in the local skilled trades it is agreed that master letter 13 regarding contracting out will be applied in Milton. This constitutes full settlement of all outstanding issues pertaining to Skilled Trades.

Yours truly,

H. MacKinnon
Manager, Industrial Relations



No. 6
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW, Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: LOCAL PLANT PRACTICES

The parties agree that the following local plant practices will continue in effect:

1. Maintenance Trucker - It is agreed that the assigned trucker will assist maintenance employees *when* there is not a full overtime shift on trucking.
2. Employees for a two (2) shift operation who are scheduled on a three (3) shift operation four (4) hours or longer are paid for their lunch.
3. Union agrees to update summer student letter by May 15 each year.
4. Traffic Offence -The Company shall grant a leave of absence not exceeding 180 calendar days to an employee for the time during which he/she is serving sentence of imprisonment imposed on a conviction arising from the operation or use of motor vehicle.
5. New Employee Orientation - The Company agrees to 5 days orientation covering factory rules, safety rules, benefits and the Agreement. Orientation to be held jointly.
6. Employees to return to regular shift after a shuffle of the workforce. This only applies when the workforce is increased to a 3 shift operation.
7. Cold storage for employee's lunches. The Company agrees to

provide an Improved cooler for the lunchroom and such cooler will be properly cleaned and maintained.

8. Protective Clothing [see attached].

9. The Company will continue to recognize other Union representatives to sit with the plant committee or the bargaining committee under special circumstances that may arise in areas such as health and safety, skilled trades and others not normally represented by Article 1.01 of the Local Agreement. The parties agree to the inclusion of the Vice Chairperson during Local negotiations.

10. The Company will maintain adequate sanitary arrangements throughout the plant and on those shifts where a full time janitor is not scheduled the Company will provide adequate manpower to maintain washroom and lunchroom housekeeping. The janitor will not be used as a production worker except in the case of emergency.

11. The company will undertake to provide Ladles washroom facilities in Zone A and B via new facilities or designation of existing facilities. The provision will be in place by February 28, 2001.

Locker room facilities shall be corrected via assigning Peelers and maintenance to designated areas and reassigning 1 locker per person in the main locker rooms.

Yours truly,

H.J. MacKinnon
Manager, Industrial Relations



No. 7
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW, Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: COVERALLS AND SMOCKS

The parties agree that protective clothing will continue to be provided as follows:

CLASSIFICATION OF JOB	COVERALL	SMOCK
All Set-up & Set-up Operators	X	OR X
Line Set-up & Trainee	x	
Crane Steel Stock Control		X
Crane Rework	X	
Pointer S/U Operator	X	
Utility	X	
Inspectors (All) & Trainees		X
Spring Technician & Trainees		X
Sweeper Sanitation		X
Shipper-Receiver		x
Trucker (All)	x	
Peeler S/U & Trainees	X	
Stockroom Attendant		X
Light up Burner Repair		
Grease/Oil	X	
Skills Tool & Die	XI	See Skilled
Skills (All others)	XI	Letter No. 5
General Labour		as req'd



Replacement made only if old coveralls and smocks turned in. These will be limit of 2 pairs of cotton coveralls or smocks per year, Line Set-up will have a limit of 4 pairs of coveralls per year. Employees must sign for coveralls and smocks. Protective clothing is to be turned in if job change occurs. The trucker classification will be eligible for insulated coveralls.

Yours truly,

H. J. MacKinnon
Manager, Industrial Relations



No. 8
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: Line Crew for Line 1, 2, 3, 5 and 6

During the 1994 negotiations resulting in this agreement, the parties agreed to the formation of a line crew for lines 1, 2, 3 and 5. The following is a description of those lines:

Classification	Number People
Line Set up	2
Line Set-up Operator (Coil, Hotset, Test, Relief)	3 or 4
Q.A Inspector	1
Truck	5/6 as assigned

Refer to Schedule "A" for description of rates, relief pattern and posting procedure. It is understood that the line crew concept will provide effective balance of work, built-in training and improved working conditions.

It is understood during the 2000 labour negotiations that an increase in trucking is required.

H. J. MacKinnon
Manager, Industrial Relations



No. 9
November 23, 2000

Mr. Grad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis:

Re: Skilled Trades Training

During the 1994 negotiations resulting in this Agreement, the parties agreed that training will be provided during the lifetime of the agreement; to both Electrician and Millwright classifications in order to improve skills and knowledge as it relates to emerging manufacturing technologies. This will include Programmable Logic Controllers (PLC's), servo devices and/or Computer training.

Yours truly,

H.J. MacKinnon
Manager, Industrial Relations



No. 10
November 23, 2000

Mr. Grad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis:

Re: Light Duties

During the 1994 negotiations resulting in this agreement, the parties agreed a person continued at work in a light duty capacity due to a compensable injury, shall be included when eligible for weekend overtime assignments in accordance with their documented restrictions.

Yours truly,

H.J. MacKinnon
Manager, Industrial Relations



No. 11
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis:

Re: Preventative Maintenance Program

In the 1994 negotiations resulting in this agreement, the parties agree Line 1, 2, 3, 4, 5 and 6 will participate in a preventative maintenance program.

Yours truly,

H.J. MacKinnon
Manager, Industrial Relations



No. 12
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis:

Re: Meritor Employee Workwear

In the 2000 negotiations resulting in this contract the parties discussed the introduction of Company supplied employee Workwear.

The company shall provide new employees with 5 shirts and 3 pairs of pants and thereafter provide replacement of 5 units annually on March 15th.

It is understood employees will utilize this clothing in the employ of Meritor and maintain same as a personal laundry.

Yours truly,

H.J. MacKinnon
Manager, industrial Relations



No. 13
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis:

Re: Performance Recognition Plan

During the 1997 negotiations resulting in this agreement, the parties discussed the motivational effectiveness of the facilities Hourly Employees Recognition Plan.

It is agreed a location committee consisting of the Plant Manager, local Bargaining Committee, Manufacturing Manager, Industrial Relations Manager and Finance Manager would be established to promote and communicate ongoing interest and achievement in the Recognition Plan.

It is further agreed the committee shall act to make recommendations to senior Company officials to ensure the facilities recognition plan serves business and employees' interests in continuous improvement and employee business growth.

It is understood the Recognition Plan shall be included as a feature of facilities Annual Operations Plan.

Yours truly,

H.J. MacKinnon
Manager, Industrial Relations



No. 14
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

During the 1997 negotiations resulting in this agreement, the parties discussed the subject of improved Meritor employee lunchroom food services.

The Company shall undertake to contract improved food services to provide wholesome food alternatives and services at reasonable costs to all employees on or before 1st March 1998.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



No. 15
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

During the 1997 negotiations resulting in this agreement the parties discussed the activation of the Meritor tuition reimbursement program.

An employee wishing to utilize this program needs to first receive approval from their department manager to satisfy the following criteria:

- work related
pre-management approval for the course,
primary text and tuition amount
- reimbursement based on successful completion
recognized educational Institution

Tuition reimbursement forms are available from the Industrial Relations department.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



No. 16
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

During the 1997 negotiations resulting in this agreement the parties clarified the normal procedure associated with the scheduling of employees annual summer vacation.

The parties shall manage summer vacations as follows:

- 1) Post vacation shut-down period by operation no later than 15th April of each year
- 2) Entitled employees schedule and confirm their 2 week vacation in their operation summer shut-down period.
- 3) Employees required to work during the 2 week summer vacation period shall be scheduled voluntarily by seniority within their normal operation.
- 4) If additional employees are required in a operation they shall be scheduled voluntarily
 - i) by classification
 - ii) by seniority
 - iii) by zone
 - iv) plantwide
- 5) Entitled employees will confirm their vacation plans in writing to Employee Relations between 15th April and 15th May of each year.

Entitled employees who do not confirm their vacation period in writing between 15th April and 15th May each year shall be deemed to be confirmed on vacation during the annual posted vacation period.

Deviations from this procedure shall be subject to mutual agreement by the parties.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



No. 17
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: Core Experience Increment

During the 1997 negotiations resulting in the agreement, the parties agreed to a core experience increment for line 1,2,3,4, 5 and 6 set-up people.

This recognizes the production coil line (1, 2, 3, 4, 5 and 6) individual development in knowledge, experience and skill.

The production coil line people will receive \$.20 per hour after 2 years continuous service in the classification.

Yours truly

H. J. MacKinnon
Manager, Industrial Relations



MERITOR

No. 18
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

During the 1997 negotiations resulting in this agreement the parties discussed the need to provide a formal Employee Assistance Program.

It is the intent of Management and Union to set-up a confidential employee accessible independent Social Service to assist Meritor employees during periods of need.

Meritor Milton's Employee Assistance Program, complete with maximum annual budget, shall be established and all employees shall receive a plan summary by 1st April 1998.

Yours truly

H.J. MacKinnon
Manager, Industrial Relations



No. 19
November 23, 2000

Mr. Grad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis

Re: Stockroom Attendant/ Stores

During the 2000 negotiations resulting in this agreement, the parties discussed the subject of overall facilities improvement that could be introduced via establishing an improved stores and material ordering system.

The parties are committed to improving the overall operation associated with a stores system and it is anticipated and hourly rated stores person will be introduced with an improved stores system on or before April 1, 2002

Yours truly,

H.J. MacKinnon
Manager, Human Resources



No. 20
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton, Ontario

Dear Mr. Gillis:

Re: Mid-week maintenance staffing

During the 2000 negotiations resulting in this agreement the parties developed arrangement of skilled trades scheduling to enable effective support of mid-week preventative maintenance activities.

The provisions and structure is as follows.

* A group of skilled trades persons consisting of from 3 to 5 individuals will be assigned into a 6 month day shift schedule

* The number of persons and trade required will be posted and the appropriate persons shall bid for the assignment via the job preference language as per article 5 of the collective agreement.

* The successful applicant will assume the assignments for a maximum period of 6 months after which a successive posting shall be made. No eligible tradesperson will be awarded a 2nd term of 6 months until all other eligible tradespersons have been awarded a term.

- it is the intention of this plan to rotate all eligible persons at 6 month intervals (Jan. -Jun. and July - Dec.)

- persons who elect not to rotate into the 6 month mid-week maintenance group shall be excused based on tender of acceptable reason,

* It is understood that operating requirements may from time to time disrupt the steady day shift arrangement. In the event a 6 month steady day person is required to cover a position on an off-shift, such temporary coverage will be assigned via seniority.

* It is understood daily operating emergencies and breakdowns are always given 1st priority of all maintenance staff including the 6 month steady day tradespersons.



* Hours of work as per Article 7 and letter No. 5 of the local collective agreement.

Yours truly,

H.J. MacKinnon
Manager, Human Resources



No. 21
November 23, 2000

Mr. Brad Gillis
Plant Chairperson
CAW Local 1067
Milton Ontario

Dear Mr. Gillis,

Meritor Suspension Systems Company and the CAW local 1067 acknowledge that Original Equipment Manufacturer customers have mandated all parts suppliers include Continuous Improvement structures and activities within their respective organizations.

During the 2000 negotiations resulting in this agreement, the parties discussed and developed a common understanding and structure for the overall facilities Continuous Improvement Culture.

- * The Company will provide for trained Continuous Improvement (CI) leaders, appointed by the company and selected by the bid process for the Union:
- * The Company and Union will appoint members and maintain a CI Steering Committee made up of a minimum of 3 management and 3 union persons.
 - The CI Steering Committee will be accountable for maintaining the overall facilities progressive and productive CI undertaking. The CI steering committee will create and maintain a Charter for the purpose of managing the facility's CI activities.
- * Continuous Improvement activities shall focus on plant operational issues including: safety, quality, productivity, process improvement, and the reduction or elimination of all forms of waste in time, effort and material.
- * The Continuous Improvement activity mandate is to Improve the security of all facility employees via improving the business and its overall competitive position.



- * The CI Steering committee, CI leaders and persons involved in CI events or process teams will not have a mandate that infringes or otherwise interferes with the normal responsibilities of the facilities company/union negotiations committees or local agenda committees.
- * It is understood cross-functional teams made up of volunteers and/or assigned persons shall be drawn from all shifts or various areas of the plant to address the issues of the business. In such cases all persons shall continue to follow the provisions of the collective agreement or other normal operating guidelines. Exceptions to the above shall require the mutual agreement of the company and union.

Harold J. MacKinnon
Manager, Human Resources

2001

JANUARY							JULY							
s	M	T	W	T	F	S	s	M	T	W	T	F	S	
		2	3	4	5	6	1	2	3	4	5	6	7	
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28	29	30	31				29	30	31					
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2002

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2003

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2005

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**Meritor Suspension
Systems Company**

Amended and Restated
March 1, **2001**

Supplement to the
Collective Agreement between

**Meritor Suspension
Systems Company**
and the
National Automobile, Aerospace
and
Agricultural Implement Workers
Union of Canada (**C.A.W.**)
and its
Locals **#1 27** (Chatham, Ontario)
and
#1 067 (Milton, Ontario)

Supplement to the Collective Agreement between
Meritor Suspension Systems Company
and the National Automobile, Aerospace and Agricultural
Implement Workers Union of Canada, (**C.A.W.**)
and its Locals #127 (Chatham, Ontario),
and #1067 (Milton, Ontario)

This Agreement was entered into the 1 st day of March, 2001, by
and between Meritor Suspension Systems Company and the
National Automobile, Aerospace and Agricultural Implement
Workers Union of Canada (C.A.W.) and its Locals #127 and
#1067.

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SECTION I
AGREEMENT

Article 1 -General Terms of Agreement

1.01 Continuation of the Plan

The Company shall maintain the Supplemental Benefit Plans, as set forth in Sections II, III and IV (herein referred to as the Plan) for the duration of this Agreement, except as otherwise provided in, and subject to the terms of the Plan.

1.02 Termination of the Plan Prior to Expiration Date

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company's obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of 60 days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan; if no agreement with respect thereto shall be reached at the end of such period, then with effect from the date of such termination there shall be a general wage increase in the amount of the basic contribution rate then in effect, but not less than 15 cents per hour to all employees who on that date are in the bargaining units for which the Union is the exclusive bargaining agent. For the purposes of this Section, failure to obtain the favourable rulings referred to in, and within the time limited by Article 1.06 of this Agreement shall be deemed to be a termination of the Plan as of the date such time expires.

1.03 Obligations During the Term of this Agreement

During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from, or addition to the Plan or this Agreement; or be required to bargain with respect to any provisions or interpretation of the Plan or this Agreement, and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Article 1.02 of this Agreement, shall be an objective of, or a reason

or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing, or other exercise of economic force, or threat thereof, by the Union or the Company.

1.04 Term of Agreement

This Agreement and the Plan shall remain in full force and effect without change until March 14, 2001 except as there may be a termination under Article 1.02 hereof. As of that date this Agreement may be terminated, modified, changed or continued, subject to and in accordance with the provisions of the Collective Bargaining Agreement. Anything herein which might be construed to the contrary notwithstanding, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

1.05 Federal and Provincial Government Income Tax Rulings

The Company shall not be required at any time to make any contribution to the Fund unless and until it shall have received from the Minister of National Revenue or other appropriate authority a currently effective ruling or rulings satisfactory to the Company, holding that such contribution shall constitute a currently deductible expense under the Income Tax Act, as now in effect or as it may be hereafter amended, or under any other applicable federal or provincial income tax law: and the Plan shall not become effective and no Company contribution shall be made to the Fund, unless and until the Company shall have received a ruling or rulings to such effect.

1.06 Application for Rulings

The Company shall apply promptly to the appropriate authorities for the rulings described in Article 1.05 above. In the event that all of such rulings shall not have been obtained prior to January 1, 1988, no further action need be taken under the Plan thereafter.

1.07 Revisions

Notwithstanding any other provision of this Agreement or the Plan, the Company, with the consent of the Union, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic

provisions thereof which shall be necessary to obtain or maintain any ruling required under Article 1.05 of this Agreement. If revisions are enacted to the Unemployment Insurance Act during the term of this agreement which result in an employee's eligibility for benefits, or which effect his total income during weeks of qualified layoff, or which would provide for an increased drain on the trust fund, the parties agree to meet and resolve the problems in a manner not inconsistent with the purposes of the Plan expressed in Section II, Article 19.01.

DATED this 22nd day of November, 2000.

FOR THE UNION:

Robert Jenner
Gord Allen
Charlie Formosa
Sym Gill
Gord Adams
Jerry Kenney
Brad Gillis
Stan Karnas
Mark Woodrow
Bob Tope

FOR THE COMPANY:

Gary Strickland
Chuck Weisbaum
John Gates
Harold MacKinnon
Dorothy Musser
Chris Johnston
Peter Brennan
Gino Negri
John Gooch
Jim Hall

SECTION II
SUPPLEMENTAL UNEMPLOYMENT
BENEFIT PLAN

Article 1 - Definitions

- 1.01 (a) "Bargaining Unit" means the unit or units of employees covered at the particular time by a Collective Bargaining Agreement.
- (b) "Basic Hourly Rate" for computing a Regular Benefit for an Employee will be the hourly rate calculated under the Collective Bargaining Agreement for determining an Employee's dues to the Union.
- (c) "Board" or "Board of Administration" means the Board of Administration under the Plan, established pursuant to Article 13 of Section II.
- (d) "Break in Seniority" means any break in or loss of seniority pursuant to the Collective Bargaining Agreement.
- (e) "Collective Bargaining Agreement" means any collective bargaining agreement or agreements between the Company and the Union, which is in effect at the particular time and which incorporates this Plan by reference.
- (f) "Company" means Meritor Suspension Systems Company and its successors and assigns, whether by amalgamation, transfer or otherwise.
- (g) "Contributory Hours" means all hours actually worked together with all hours for which the Company pays vacation pay, holiday pay, report in or call out pay, or back pay pursuant to an arbitrator's award or grievance settlement.
- (h) "Credit Unit" means a Unit, or fraction thereof, credited to an Employee under the Plan in accordance with Article 6.
- (i) "Credit Unit Cancellation Base" means an amount determined in accordance with the provisions of Article 9.

- (j) "Dependents" means the spouse and children of the Employee.
- (k) "Employee" means an hourly rated employee of the Company in a Bargaining Unit covered by the Plan.
- (l) "Employee in Active Service" means an Employee who, for the Work Week or Pay Period in question, has received pay from the Company.
- (m) "Guarantee Date" means the last day of the first pay period ending January 1969 and the last day of each 52nd pay period thereafter. Effective 1981 the "Guarantee Date" means the third Sunday of March and the last day of each 52nd pay period thereafter.
- (n) "Guaranteed Benefit Account" means an amount which is determined from time to time in accordance with Article 4.01 (f) plus, with effect from March 1, 2003, the \$350,000 contingent liability account.
- (o) "Military Service" or "Service in Her Majesty's Forces" does not include part time service in the Militia.
- (p) "Plan" means this Supplemental Unemployment Benefit Plan established by a Supplemental Agreement between the Company and the Union.
- (q) "Plant" establishment in, or out of, which an Employee works.
- (r) "Seniority" means seniority status under the Collective Bargaining Agreement.
- (s) "Supplementation" means recognition under Unemployment Insurance of the right of every Employee covered by this Plan to receive both an unemployment insurance benefit and the full Weekly Supplemental Benefit to which he may be entitled under the Plan for the same weeks of temporary layoff at approximately the same time and without reduction of the unemployment insurance benefit because of the payment of such Weekly Supplemental Benefit under the Plan.

- (t) "Trustee" means the trustee or trustees of the Trust Fund established under the Plan in accordance with Article 2.
- (u) "Trust Fund" or "Fund" means the trust fund established under Article 2 of this Plan from which Benefits may be payable with respect to Employees.
- (v) "Unemployment Insurance" means any system or program established pursuant to any law of the Government of Canada under the Unemployment Insurance Act, for paying benefits to persons on account of their unemployment under which an individual's eligibility for benefit payments is not determined by application of a "means" test or "disability" test, and an "Unemployment Insurance Benefit" means a benefit payable under Unemployment Insurance and defined by the Unemployment Insurance Act.
- (w) "Union" means National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, (C.A.W.) and its Locals No. 127, No. 1067 and/or any other union which is the Collective Bargaining representative of a group of employees of the Company, which incorporates this Plan by reference.
- (x) "Weekly Straight Time Pay" means an amount equal to an Employee's Base Hourly Rate (plus any applicable cost of living allowance in effect at the time of computation of the Benefit, but excluding all other premiums and bonuses of any kind) multiplied by 40.
- (y) "Weekly After Tax Pay" means the amount of an Employee's Weekly Straight Time pay by the sum of all federal, provincial and municipal taxes and contributions which would be required to be collected, deducted or withheld by the Company from a regular weekly wage of such amount if paid to him for the last pay period he worked in the Bargaining Unit.
- (z) "Weekly Supplemental Benefit", "Regular Benefit", or "Benefit" means a weekly benefit payable under Article 8.
- (aa) "Work Week" or "Pay Period" means a calendar week

beginning on Monday at the regular starting time of the shift to which the Employee is assigned, or was last assigned immediately prior to being laid off.

(bb) "Week" or "Full Week" when used in connection with a period of layoff, means:

- (i) a period of layoff equivalent to a Work Week, or
- (ii) a Work Week for which an Employee, although working all of the hours of work made available to him during such week, shall not receive pay from the Company sufficient in amount to disqualify him for a Regular Benefit under this Plan, and

"full week of layoff" shall include any such week; provided, however, that if there is a difference between the starting time of a full week of layoff and of a week under Unemployment Insurance, the full week of layoff shall be paired with the week under Unemployment Insurance which corresponds most closely thereto in time. Each week within a continuous period of layoff does not constitute a new or separate layoff.

Article 2 - Establishment of Fund

2.01 The Company shall establish a Trust Fund, in accordance with this Plan, with a Trust Company or Companies selected by the Company as Trustee.

2.02 The Company's contributions shall be paid directly into the Trust Fund, the assets of which shall be held, invested, and applied by the Trustee, all in accordance with the Plan. Regular Benefits shall be payable only from such Fund.

2.03 The Trustee shall be directed to hold or to invest the assets of the Fund only in cash or general obligations of the Canadian Government or other securities deemed appropriate for Supplemental Unemployment Benefit Funds by the regulations of the Department of National Revenue,

irrespective of the rate of return, or the absence of any return thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment; and the Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.

Article 3 - Maximum Funding

3.01 There shall be a Maximum Funding of the Fund for each calendar month after February, 1986. The Maximum Funding of the Fund for each such calendar month shall be determined by multiplying the Average Full Benefit rate by 12 and this result by the sum of:

- (a) the average number of Employees in active service, and
- (b) the average number of persons laid off from work or Employees who are not included in (a) but who have Credit Units;

such average numbers being determined by the Company on the basis of the average number of Employees during 52 consecutive weeks ending with the third Sunday preceding the first Monday in the month for which the Maximum Funding is being determined.

3.02 Average Full Benefit Rate

The computation of the "Average Full Benefit Rate" for the purpose of determining Maximum Funding shall be made monthly and shall be the average during the immediately preceding 12 months. The average shall be determined by dividing the sum of all Full Benefits paid during the period for which the computation is made by the number of such Full benefits.

3.03 Full Benefit

A "Full Benefit" for the purpose of this computation shall mean a "Regular Benefit" which has been paid for a Week of Layoff and which has not been reduced because of other compensation as defined in Article 8.03. The Full Benefit shall not include any Regular Benefits payable for the second week of an Employee's Unemployment Insurance waiting period.

3.04 Finality of Determination

No adjustment in the Maximum Funding or the Credit Unit Cancellation Base shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, except in the case where after discovery of an error adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

Article 4 • Company Contributions

4.01 (a) Basic Contributions

Commencing with the first Pay Period after March 1, 2001 and with respect to each Pay Period thereafter for which the assets of the Fund are less than the Maximum Funding, the Company shall make a contribution to the Fund determined by multiplying the total number of Contributory Hours of all Employees for such Pay Period as follows by the appropriate number of cents set out in Table A below for each such Pay Period that begins on or after March 1, 2001

TABLE A

<i>Percentage Relationship of Fund Assets to Maximum Funding</i>		<i>Pay Periods Commencing On or After Mar. 1/2000 But Before Mar. 1/2001</i>	<i>Pay Period Commencing On or After Mar. 1/2001</i>
77.5%	100.00%	29¢	31¢
70.0%	77.40%	30¢	32¢
62.5%	69.99%	31¢	33¢
55.0%	62.49%	32¢	34¢
47.5%	54.99%	33¢	35¢
40.0%	47.49%	34¢	36¢
32.5%	39.99%	35¢	37¢
25.0%	32.49%	36¢	38¢
17.5%	24.99%	37¢	39¢
10.0%	17.49%	38¢	40¢
Less than 10%		39¢	41¢

(b) Overtime Contributions

For Pay Periods commencing on or after March 1, 2001, the Company will make a contribution to the Fund in addition to those set out in paragraph (a) above of 6¢ for each hour of overtime work paid at a time and one half rate, and 12¢ for each hour of overtime work paid at a double time rate.

(c) If the total number of hours for which Employees shall have received pay from the Company when multiplied by the applicable number of cents per hour set out in (a) or (b) above is more than the number of hours required to increase the value of the assets of the Fund to the next higher percentage of Maximum Funding, only the number of hours required to reach the next such higher percentage shall be multiplied by the applicable cents per hour set forth in the appropriate table. The remaining hours (the difference between the total number of hours and the lesser number of hours required to reach the next higher percentage) shall be multiplied by the applicable lesser cents per hour set forth in the appropriate table for the next higher percentage.

(d) Short Workweek Contributions

If the market value of the assets of the Fund on December 31, 1981 and each December 31st thereafter, is less than 100% of Maximum Funding, the Company shall make a contribution to the Fund in an amount equal to:

- (i) the total dollar amount of Short Work Week Benefits paid under Section III hereof during all Pay Periods beginning in the preceding calendar year (excluding any short week benefit paid for a layoff attributable to an Act of God, as defined below),

minus

- (ii) the amount determined by multiplying 5¢ for calendar year 1981 and subsequent calendar years by the total number of hours for which the Company made, or would have been required to make, contributions to the Fund in such calendar year.

The term "Act of God" as used in this Section means an occurrence or circumstance directly affecting a Company Plant which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control (the result of natural causes and not human acts).

(e) Additional Company Contributions

If after any required contributions are made under paragraphs (a), (b), (c) and (d) of this Article 4.01 for any Pay Period beginning on or after December 1, 1980, the Fund does not have sufficient assets to pay Regular Benefits otherwise due and payable under the Plan, and if these are applications due and payable for Benefits for weeks beginning on or after December 1, 1980 during which the Credit Unit Cancellation Base exceeded \$32.99, the Company shall make an additional contribution to the Fund equal to the amount of such Benefits.

- (f) Contributions Based on Guaranteed Benefit Account**
If after any required contributions are made under paragraphs (a), (b), (c), (d) and (e) of this Article 4.01 for

any Pay Period beginning on or after January 1, 1981, the Fund does not have assets to pay Regular Benefits otherwise due and payable under the Plan to Employees with 10 or more years of Seniority, the Company shall make an additional contribution to the Fund equal to the lesser of:

- (i) an amount sufficient to pay such Benefits; or
- (ii) an amount equal to:
 - (1) \$200.00 multiplied by the average number of Employees and other persons used in determining Maximum Funding for the month of December 1980, under Article 3.01 hereof, less
 - (2) the sum of contributions previously made under this Article 4.01(f);

and in the event that the amount of the Guaranteed Benefit Account as set out in (i) and (ii) above is not sufficient to pay Regular Benefits otherwise due and payable under the Plan on and after March 15, 1983 to Employees in Active Service with 10 or more years of Seniority,

- (iii) the Company shall establish on March 1, 2001 a contingent liability account of \$300,000 to provide any such Benefits due and payable on and after March 1, 2001, and
- (iv) in the event that monies from the contingent liability account are used to provide such Benefits, the Company shall recoup the expenditure by diverting an amount of the basic contribution made under paragraph (a) of this Article 4.01 to the contingent liability account equal to 5¢ multiplied by the total number of Contributory Hours of all Employees for each Pay Period following the expenditure until the total amount spent is recouped.

(g) Reduction in Contributions

- i) The Company's contributions to the Fund, as determined under paragraphs (a), (b), (c) and (d) of this Article 4.01

shall be reduced by:

- (1) the amounts of Short Work Week Benefits paid by the Company in accordance with the provisions of the Short Work Week Benefit Plan; and
 - (2) the amounts of any Separation Payments paid by the Company in accordance with the provisions of the Separation Payment Plan; and
 - (3) the amount of any Company contributions under paragraph (e) above.
- (ii) If contributions to the Fund are not required for any period, or if the contributions required are less than the amounts to be offset under paragraph (g)(i) above, then any subsequently required contributions shall be reduced by the amount not previously offset against contributions. Any such amount determined under paragraphs (1), (2) and (3) not previously offset against contributions shall be deducted from the market value of the assets in the Fund in determining the Credit Unit Cancellation Base and the relationship of the assets of the Fund to Maximum Funding.

4.02 No Contribution Obligation

Notwithstanding any other provisions of the Plan, the Company shall not be obligated to make any contributions to the Fund with respect to any Pay Period for which the market value of the assets of the Fund is equal to or in excess of the Maximum Funding for the Fund, and no contribution to the Fund for any Pay Period shall be in excess of the amount necessary to bring the total market value of the assets in the Fund up to the Maximum Funding for the Fund.

4.03 When Contributions are Payable

Each contribution by the Company shall be made on or before the close of business on the first regularly scheduled work day in the second calendar week following the pay day for the Pay Period with respect to which the contribution is being made.

4.04 Effect of Withholding

If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any federal, provincial or municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and to pay only the balance to the Fund.

Article 5 - Eligibility for Weekly Supplemental Benefits

5.01 Application of Benefits

No person shall be eligible for a Benefit unless and until he shall have made due application therefor in accordance with the procedure established hereunder and shall have met the eligibility requirements of Article 5.02. Applications will be accepted before an Unemployment Insurance Benefit is received, or eligibility therefor is established and will be kept active for 3 months pending submissions of the required evidence of eligibility for or receipt of an Unemployment Insurance Benefit.

5.02 Eligibility for Regular Benefits

An applicant shall be eligible for a Benefit only if he is on layoff from the Company with respect to the Week for which application is made and the first day of such week is on or after December 1, 1980 and if:

- (a) Such layoff
 - (i) was from the Bargaining Unit:
 - (ii) occurred in a reduction in work force such as a temporary layoff, or from the discontinuance of a Plant or operation, or occurred or continued because the applicant was unable to do the work offered by the Company although able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority:
 - (iii) occurred during a general Plant vacation shutdown and the applicant had previously scheduled his vacation at a time other than such vacation shutdown:

(iv) was not for disciplinary reasons, and was not a consequence of:

- (1) any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action at a Company Plant or Plants, or any dispute of any kind involving employees, whether at a Company Plant or Plants or elsewhere; or
- (2) any fault attributable to the applicant; or
- (3) any war or hostile act of a foreign power; or
- (4) sabotage or insurrection:

provided, however, that if a layoff for one or more of the reasons in this Article 5.02(a)(iv) was not for all of the working days of such week, an applicant shall not be considered ineligible for a Benefit for the remainder of the working days in such week solely because of this Article 5.02(a)(iv).

(b) With respect to such Week, the applicant:

- (i) had to his credit at least a fraction of a Credit Unit;
- (ii) has registered at a Canada Employment Centre operated by Employment and Immigration Canada.
- (iii) has received an Unemployment Insurance Benefit or was ineligible to receive an Unemployment Insurance Benefit only for one or more of the following reasons:
 - (1) because he did not have prior to his layoff a sufficient period of work in employment covered by Unemployment Insurance; or
 - (2) because he has exhausted his Unemployment Insurance Benefit rights; or

- (3) because he is serving a "waiting period" of layoff under Unemployment Insurance; or
- (4) because he had previously scheduled his vacation at a time other than a general plant vacation shutdown:
- (5) it is determined that under the circumstances and with the concurrence of the Human Resources Development Canada and Immigration Commission, it would be contrary to the intent of the Plan and Commission policy to deny him a benefit:
- (iv) has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the Company of other available work at his Plant which the Company may properly assign him under the provisions of the Collective Bargaining Agreement;
- (v) has complied with the administrative procedures pursuant to Article 11.
- (vi) was not eligible for and was not claiming:
 - (1) any statutory or Company accident or sickness or any other disability benefit (except a benefit which he received or could have received while working full time, or a partial Workmen's Compensation Benefit which he received while not totally disabled and while ineligible for sickness and accident benefits under the insurance program); or
 - (2) any Company pensioner retirement benefit; provided, however, that if a layoff for one or more of the reasons in this Article 5.02(b)(vi) was not for all of the working days of such week, an applicant shall not be considered ineligible for a Benefit for the remainder of the working days in such week solely because of Article 5.02(b)(vi);

(vii) did not receive any Unemployment Benefit from or under any contract, plan or arrangement, of any other employer, and was not eligible for such a benefit from, or under any contract, plan or arrangement, of any employer with whom he has greater Seniority than with the Company;

(viii) was not scheduled to be on vacation for which he receives vacation pay or has not in such week refused to take a paid vacation for which he is eligible when his Plant or department is shut down for vacation purposes by mutual agreement with the Union;

(ix) is entitled to a benefit and the applicant either has at least 10 years of Seniority or the Credit Unit Cancellation Base applicable to such week is \$33.00 or more:

(x) was not eligible for a Short Work Week Benefit.

5.03 Protest of Employment Insurance Benefit

With respect to any week for which an applicant for a Benefit under the Plan has been denied an Employment Insurance Benefit (except for one of the reasons set forth in 5.02(b)(iii) of this Article), and such denial is being appealed by the applicant through the procedure provided therefor under the Employment Insurance, there shall be no Benefit payable from the Fund, but upon adjudication by the Employment Insurance Commission the applicant or the Fund shall be made whole in accordance with the adjudication.

Article 6 -Credit Units

6.01 Accrual of Credit Units

Credit Units shall have no fixed value in terms of either time or money, but shall determine the duration of payment of Benefits under the varying circumstances from time to time prevailing. Credit Units shall be credited to an Employee at the rate of one half of a Credit Unit for each Work Week for

which he receives any pay from the Company, provided, that:

- (a) no Employee may have to his credit more than 52 Credit Units at any one time except as provided in Article 6.02; and
- (b) no Employee shall be credited with any Credit Unit prior to the first day as of which he:
 - (i) has at least one year of Seniority under the Collective Bargaining Agreement, and
 - (ii) is either an Employee in Active Service in the Bargaining Unit (or was in such service within 30 days prior to such first day or would have been in such service except for having been laid off within 15 days prior to such 30 day period) or is absent from work on (or was absent from work within 30 days prior to) such first day solely because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence is receiving Workplace Safety and Insurance Board benefit while on Company approved leave of absence;

but as of such day he shall be credited with Credit Units accrued as provided in this Section; and

- (c) no Employee shall be credited with additional Credit Units until the total of Credit Units to his credit, including Credit Units granted in accordance with Article 6.02, have been reduced to less than 52.

6.02 An Employee in Active Service on March 1, 2001, or an Employee who becomes an Employee in Active Service on and after March 1, 2001 but prior to March 1, 2004, shall be credited as of the earlier of March 1, 2001 and the date he becomes an Employee in Active Service with a one time grant of 52 Credit Units in addition to any Credit Units otherwise to his credit under this Article 6 or Article 7. At the time of such grant and only at such time, each such Employee may have to his credit no more than 104 Credit Units.

6.03 For the purpose of accruing Credit Units under this Section, a Work Week for any Employee means a Work Week occurring while he is in the Bargaining Unit for which he receives any pay from the Company, provided, however, that:

- (a) hours paid for at premium rate shall be counted only as straight time hours; and
- (b) all hours represented by pay in lieu of vacation shall be counted as hours in the Work Week covered by the pay day as of which payment in lieu of vacation is made; and
- (c) any hours during which an Employee is on an authorized absence for Union business or jury duty, and all hours during which an Employee is in receipt of Workplace Safety and Insurance Board benefit or in receipt of Weekly Indemnity Benefits shall, for the purpose of accumulating Credit Units, be treated as hours for which he receives his pay if he would otherwise have worked them.

6.04 Except as otherwise provided in the Plan, at such time as the amount of any Regular Benefit overpayment is recovered by the Fund, the number of Credit Units, if any, theretofor cancelled with respect to such overpayment of Benefits shall be restored to the Employees, except to the extent of the number of Guaranteed Annual Income Credits which have been credited to such Employees between the date of such overpayment and the date of such repayment and which would not have been credited had the Credit Units been restored at the time such Guaranteed Annual Income Credits were credited to him, and except to the extent that such restoration would raise the number of his Credit Units above 52 at the time thereof, and except as otherwise provided in Article 6.05.

6.05 Forfeiture of Credit Units

A person shall forfeit permanently all Credit Units with which he shall have been credited if at any time:

- (a) he shall incur a break in his Seniority;
- (b) he shall be on layoff from the Company for a continuous period of 24 months (except in the case of an employee at

work on or after March 15, 1983, with 10 or more years of seniority, forfeiture of Credit Units will be extended for 36 months for the purpose of making application for Separation Payment only) except that if at the expiration of the 24 month or 36 month period, as applicable, he is receiving Benefits, his Credit Units shall not be forfeited until he ceases to receive Benefits; or

- (c) he shall willfully misrepresent any material fact in connection with an application by him for any Benefits at any time provided under the Plan.

Article 7 - Guaranteed Annual Income Credit Units

7.01 Crediting of Guaranteed Annual Income Credits

- (a) An Employee in Active Service who has at least one year of Seniority on a Guarantee Date shall be credited as of the following day with the number of Guaranteed Annual Income Credit Units, if any, determined by:

subtracting from 52 the number of Credit Units to his credit on the Guarantee Date; and multiplying the resulting number by the applicable percentage in the following table:

<i>Years of Seniority at Guarantee Date</i>	<i>Applicable Percentage</i>
1 but less than 2	25%
2 but less than 4	50%
4 but less than 7	75%
7 and over	100%

- (b) If Guaranteed Annual Income Credits were not credited to an Employee on a Guarantee Date solely because he did not then have at least one year of Seniority or was not then an Employee in Active Service but on any day within the 52_ pay period following such Guarantee Date such Employee has at least one year of Seniority and is then an Employee in Active Service, he shall be entitled to be credited with Guaranteed Annual Credit Units as of the day following the first pay period in which he meets such requirements.

The number of Guaranteed Annual Income Credit Units, if any, to be credited to such Employee shall be the number determined by:

- (i) subtracting from 52 the number of pay periods between the preceding Guarantee Date and such pay period; and
 - (ii) subtracting from the resulting number the number of Credit Units to the Employee's credit on such day; and
 - (iii) multiplying the resulting number by the percentage in the table in Article 7.01(a) above applicable to the Employee's Seniority on such Guarantee Date or the date subsequent thereto on which he acquired one year of Seniority.
- (c) With respect to paragraphs (a) and (b) of this Article 7.01, an Employee who reports for work at the expiration of a sick leave of absence and for whom there is no work available in line with his seniority and who then is placed on layoff status shall be credited with his guaranteed income credits as of the end of the pay period in which he reported for work.

7.02 Guaranteed Annual Income Credit Units

A Guaranteed Annual Income Credit Unit shall be deemed in all respect to be the same as a Credit Unit credited pursuant to Article 6, except that Guaranteed Annual Income Credit Units shall be credited only pursuant to the provisions of this Article 7.

Article 8 -Amount of Weekly Supplemental Benefits

8.01 Benefits for Layoffs Beginning After March 1, 2001

- (a) The Weekly Supplemental Benefit payable to any eligible applicant for a layoff beginning on or after March 1, 2001 for any week that is not a waiting week under Unemployment Insurance shall be the lesser of:
- (i) an amount which, when added to his Unemployment Insurance Benefit and Other Compensation for such week will equal 95% of his Weekly After Tax Pay, minus

\$12.50 to take account of work related expenses not incurred; or

- (ii) a maximum amount of \$150; provided, however, that such maximum amount shall not apply to a Benefit for a week for which the Employee receives an Unemployment Insurance Benefit.
- (b) The Weekly Supplemental Benefit payable to any eligible applicant for a layoff beginning on or after March 1, 2001 for any week that is a waiting week under Unemployment Insurance shall, for the first waiting week, be equal to 95% of his Weekly After Tax Pay minus \$12.50, to take account of work related expenses not incurred and minus the estimated amount of an Unemployment Insurance Benefit as if such a week had not been a waiting week, and in all other waiting weeks under Unemployment Insurance falling within the 52_ week period from the beginning of the first waiting week, an amount equal to 95% of his Weekly After Tax Pay minus \$12.50, to take account of work related expenses not incurred.

8.02 An applicant eligible for a Weekly Supplemental Benefit for part of a Week shall be entitled to a Weekly Supplemental Benefit in a reduced amount equal to one fifth of the full weekly Supplemental Benefit computed under 8.01 above, for each work day of the week in which he meets all the eligibility requirements of Article 5.02.

8.03 Unemployment Insurance Benefit and Other Compensation
For all purposes of this Article "Unemployment Insurance Benefit and Other Compensation" for a week means the full amount of the Unemployment Insurance Benefit received by the applicant for such week, including any dependency allowance, plus:

- (a) (i) All earnings from employers other than the Company in excess of the greater of:
 - (1) all earnings, as defined under the Unemployment Insurance Act, in excess of the amount disregarded as earnings by Unemployment Insurance for periods

other than a "waiting period" or a period during which an Employee is eligible for an "advance payment" under Unemployment Insurance, or

(2) 20% of such earnings;

(ii) all earnings from the Company;

(iii) the amount of all other benefits in the nature of compensation or benefits for unemployment received or receivable under any municipal, provincial or federal system.

(b) The Unemployment Insurance Benefit received in any week during the period covered by the advance payment will be deemed to be that part of the advance payment applicable to that week.

(c) If an Employee received a Weekly Supplemental Benefit for the immediately preceding week and enrolls in a government sponsored retraining program which provides a training allowance, such allowance (excluding payments for transportation, subsistence and accommodation) will be considered as an Unemployment Insurance Benefit for all purposes under this Plan.

8.04 Insufficient Credit Units for Full Benefit

If an applicant shall have available less than the full number of Credit Units required to be cancelled for the full amount of the Weekly Supplemental Benefit (as set forth in Article 9) for any week for which he is otherwise eligible, he shall nevertheless be paid a full Regular Benefit with respect to that week and all remaining Credit Units to his credit shall be cancelled.

8.05 Effect of Low Credit Unit Cancellation Base
Notwithstanding any other provision of the Plan:

(a) Any Benefit for a week as computed under the preceding Sections of this Article shall be reduced by 20%, but in no event to less than \$5.00, by reason of such reduction if:

<i>The Week for which a Benefit is paid begins</i>	<i>And if the Credit Unit Cancellation Base applicable to the Week for which a Benefit is paid is:</i>	<i>And as of the Last Day of the Week for which such benefit is paid to the Employee his Seniority is:</i>
<i>On or after March 1, 2001</i>	<i>\$33.00 -- \$106.49 Below \$106.50</i>	<i>1 to 10 years 10 to 20 years</i>

- (b) If the Credit Unit Cancellation Base for any week shall be less than \$33.00 for weeks beginning on or after March 1, 2001, no benefit for such week for an Employee with less than 10 years of Seniority as of the last day of the week for which any Benefit is being computed shall be paid at any time.
- (c) Assets in the Fund resulting from Company contributions made in accordance with Article 4.01(e) shall be utilized solely to pay claims upon which the amount of such contributions was determined.

8.06 Benefit Overpayments

If the Company or the Board determines, after a person has been paid one or more Benefits under the Plan, that such Benefit or Benefits should not have been paid or should have been paid in a lesser amount or amounts (as the result of a subsequent disqualification for Unemployment Insurance Benefits or Otherwise), written notice thereof shall be mailed to such person and such person shall return the amount of overpayment to the Trustee, provided, however, that no such repayment shall be required if the cumulative overpayment is \$3.00 or less or if notice has not been given within 120 days from the date the overpayment was established or created unless the overpayment is from Company error then written notice will be given within 120 days of the issue date of the first cheque, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation. If such person shall fail to return such amount promptly, the Trustee shall arrange for an amount equal to the amount of overpayment to be reimbursed to the Fund by making a deduction from any future Benefits (not to exceed \$50.00 from any one Benefit except in cases of fraud or willful misrepresentation) otherwise payable to such person or by

requesting the Company to make a deduction from compensation payable by the Company to such person (not to exceed \$50.00 from any one pay cheque except in cases of fraud or willful misrepresentation) or both. The Company is authorized to make such deduction from the Employee's compensation and in such event shall pay the amount deducted to the Trustee.

8.07 Withholding Tax

The Trustee shall deduct from the amount of any Benefit as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial or municipal government.

8.08 Union Dues

The Company, upon authorization from the Employee, will deduct from Regular Benefits any union dues which such Employee owes, and remit such dues to the Union.

Article 9 - Duration of Benefits

9.01 Credit Unit Cancellation Base

- (a) There shall be a Credit Unit Cancellation Base which shall be determined for each calendar month after March, 2001. The Credit Unit Cancellation Base for any particular month shall be determined by dividing the current market value of the total assets in the Fund as of the close of business on the Friday preceding the first Monday of such month as certified by the Trustee by the number of persons used in determining Maximum Funding for such month.
- (b) The Credit Unit Cancellation Base for any particular month shall be applied to each of the Pay Periods beginning within such month, provided, however, that when the Credit Unit Cancellation Base for any particular month is less than \$253.49, the Credit Unit Cancellation Base shall be applied only to the first Pay Period beginning within such month, and thereafter there shall be determined a Credit Unit Cancellation Base for each Pay Period until the Credit Unit Cancellation Base for a particular Pay Period equals or

exceeds the Credit Unit Cancellation Base stated for such period. When the Credit Unit Cancellation Base for a particular Pay Period equals or exceeds the Credit Unit Cancellation Base stated for such period, such Credit Unit Cancellation Base shall be applied to each Pay Period until a Credit Unit Cancellation Base for the following calendar month shall be applicable. The Credit Unit Cancellation Base for a particular Pay Period shall be determined on the basis of the current market value of the total assets in the Fund as of the close of business on the Friday preceding such Pay Period, as certified by the Trustee.

9.02 Number of Weeks of Benefits

The number of weeks for which an eligible applicant shall receive a Benefit shall be determined on the basis of the number of his Credit Units and the Credit Unit Cancellation Base applicable to the weeks for which such Benefits are paid to him. When all of an eligible applicant's Credit Units shall have been cancelled, he shall be entitled to no further Benefits until he shall have been credited with additional Credit Units.

9.03 Credit Units to be Cancelled on Payment of a Benefit

The number of Credit Units to be cancelled for any Benefit shall be determined on the basis of the years of Seniority of the person to whom such Benefit is paid as of the last day of the week for which such Benefit is paid and of the Credit Unit Cancellation Base applicable to the week for which such Benefit is paid in accordance with the following table:

TABLE

And if the Years of Seniority of the Person to Whom Such Benefit is Paid are:

<i>If the Credit Unit Cancellation Base Applicable to the Week for Which Such Benefit is Paid is:</i>	<i>1 to 5 Years</i>	<i>5 to 10 Years</i>	<i>10 to 15 Years</i>	<i>15 years and Over</i>
	<i>The Credit Units Cancelled for Such Benefit shall be:</i>			
\$694.50 or over	1.00	1.00	1.00	1.00
\$621.00 - \$694.49	1.11	1.00	1.00	1.00
\$547.50 - \$620.99	1.25	1.11	1.00	1.00
\$474.00 - \$547.49	1.43	1.25	1.11	1.00
\$400.50 - \$473.99	1.67	1.43	1.25	1.00
\$327.00 - \$400.49	2.00	1.67	1.43	1.00
\$253.50 - \$326.99	2.50	2.00	1.67	1.00
\$180.00 - \$253.49	3.33	2.50	2.00	1.00
\$106.50 - \$179.99	5.00	3.33	2.00	1.00
\$33.00 - \$106.49	10.00	5.00	2.00	1.00
Under \$33.00	No Benefit Payable		2.00	1.00

Article 10 - Armed Services

A person who enters Canadian Armed Forces directly from the employ of the Company shall, while in such service, be deemed for the purposes of the Plan, as on leave of absence and shall not be entitled to any Benefit, and all Credit Units credited to such person at the time of his entry into such services shall be credited to him upon his reinstatement as an Employee.

Article 11 -Administration of the Plan

11 .01 General

- (a) The determination of the eligibility under the Plan of any person who applies for a Benefit and the payment under the Plan of such Benefit shall be made and administered under and in accordance with the provisions of this Article.
- (b) It shall be the function of the Board of Administration established pursuant to Article 13 of this Section to exercise ultimate responsibility for determining whether such person is eligible for a Benefit under the terms of the Plan, and, if so, the amount of such Benefit. The Company shall make the initial determination on both points with respect to the application for each such Benefit and the Board shall be presumed conclusively to have approved any such determination by the Company unless the applicant shall have appealed from the determination by the Company in the manner and within the time prescribed in Article 12.01 of this Section.

11.02 Application for a Benefit

- (a) In carrying out its responsibility to make initial determinations, the Company shall have the right to establish reasonable rules, regulations, and procedures concerning the times and places at which persons desiring to establish eligibility for and/or to apply for a Benefit shall report in order to comply with the eligibility requirements set forth in Articles 5.01 and 5.02(b)(v), and concerning the form content and substantiation of application for Benefits, subject to approval of the Board.
- (b) Pursuant to the authority vested in it, the Company may designate an office or department at each Plant, or in the alternative a location in the general area of each Plant, where persons laid off may appear for the purpose of complying with such requirements if deemed necessary by the Company.
- (c) So far as practicable, an applicant shall be required for each week with respect to which application for a Benefit under the Plan is made (or with respect to which he is required to

report), to exhibit a copy of the payment receipt or similar document showing receipt of the Unemployment Insurance Benefit for such week; provided however, that if the applicant was ineligible, as provided in Article 5.02(b)(iii) to receive an Unemployment Insurance Benefit for such week, such applicant shall, in lieu of exhibiting such payment receipt or similar document, furnish satisfactory proof that he was ineligible solely for the reasons therein set forth.

- (d) Unemployment Insurance Benefits shall be presumed to have been received by the applicant on the date set forth on the copy of the payment receipt or similar document.
- (e) In addition to the preceding requirements of this Section, an applicant for a Benefit under the Plan may be required by the Company to state, in writing:
 - (i) whether he received or was entitled to receive any benefit from any source other than the Plan and Unemployment Insurance, for the week with respect to which application is made, and, if so, the source and amount thereof;
 - (ii) the amount earned from all sources during such week and the source thereof;
 - (iii) the identity and number of his dependents; and
 - (iv) such further and additional evidence and information as the Company may deem to be material and relevant in order to enable the Company to determine whether such person is eligible to be paid a Benefit under the Plan, and if so, the amount of such Benefit.

11.03 Determination of Eligibility

When a person files an application for a Benefit under the Plan in accordance with 11.02 of this Article, and furnishes to the Company the evidence and information required to be furnished under such Section, the Company promptly thereafter shall:

- (a) determine whether such person is an eligible person and, if he is determined to be an eligible person,

- (b) determine the number of uncanceled Credit Units to the credit of such eligible person, and
- (c) determine whether any Benefit is payable to such eligible person, and if so, the amount thereof.

11.04 Notification to Trustee to Pay

- (a) If the Company determines that a Benefit is payable to an eligible person with respect to the week for which application for such Benefit is made, it shall deliver prompt written notice thereof to the Trustee setting forth the name of such eligible person and the amount of such Benefit. Upon receipt of such notice, the Trustee shall be required to make payment of such Benefit from the Fund to such eligible person within a reasonable time.
- (b) In each Plant the written notice of Benefits payable to eligible persons shall be given to, and the payments of Benefits under the Plan shall be made by, and the return of amounts of any overpayment shall be made to, the representative of the Trustee appointed by it for such purposes in such Plant. Such representatives may be persons employed by the Company.

11.05 Notice of Denial of Benefits

If the Company determines that a person is not entitled to a Benefit with respect to the week for which application for such Benefit is made, it shall send prompt written notice thereof to him.

11.06 Determination of Dependents

In determining the number of dependents for the purposes of Benefit determination, the Company (and the Board) shall be entitled to rely upon the official form filed by the applicant with the Company for income tax purposes, and the applicant shall have the burden of establishing that he is entitled to a greater number of dependents than he shall have claimed on such form.

11.07 Powers and Authority of the Company

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including, without limitation, the power:

- (a) To obtain from Employees, persons filing applications for Benefits, eligible persons, the Trustee, the Board, and elsewhere such information as the Company shall deem necessary in order to carry out its duties under this Article.
- (b) To investigate the correctness and validity of information furnished by any person who applies for a Benefit.
- (c) To make appropriate determinations pursuant to this Article.
- (d) To determine the Maximum Funding for the Fund in the manner and at the times specified in the Plan, including collection of the data necessary to make such determination.
- (e) To establish appropriate procedures for giving notice required to be given under this Article.
- (f) To establish and maintain necessary records.
- (g) In conjunction with the Board to prepare and distribute information explaining the Plan.
- (h) To round out figures, use averages and composites, and employ other customary and routine accounting techniques as it may deem necessary and appropriate.

11.08 Other Benefits

The payment of benefits from this Plan shall in no event affect the amount of any guaranteed annual remuneration, deferred remuneration or severance benefits otherwise payable to the Employee by the Company.

Article 12 - Procedure for Appeals by Applicants

12.01 First Stage Appeals

Any person who shall have been notified that he is not entitled to a Benefit or who shall have been determined to be entitled to be paid a Benefit that is smaller in amount than the amount to which such person believes he is entitled, may present an appeal in the first instance to the Local Review Committees on a form to be provided for that purpose. Such

written appeal shall be filed with the Committee within 30 days following the date of mailing of said notice to such person or within 30 days after the date of mailing of a cheque for such smaller amount by the Trustee to such person. No appeal may be presented after such 30_day period. If the Local Review Committees shall not resolve the appeal within 30 days after the date thereof, or such extended time as may be agreed upon the matter shall be referred to the Board for disposition.

12.02 Appeals to the Board of Administration

Appeals to the Board shall be made within 30 days after the decision by the Local Review Committee. Such appeals shall be in writing, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from. The Board shall have no jurisdiction to act upon any appeal made after the time limit specified above or upon any appeal that otherwise does not comply with this subparagraph. Subject to the limitations set forth in Article 13.04 hereof, the handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. The applicant or the Union Members of the Board may withdraw any appeal to the Board at any time before it is decided by the Board.

12.03 Board's Decision Final

There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the person involved, the Trustee, and the Company. The Union will discourage any attempt of its members to appeal, and will not encourage or cooperate with any of its members in any appeal, to any Court or Labour Board from a decision of the Board, nor will the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.

12.04 Applicability of Appeals Procedure

The appeals procedure set forth in this Section may be employed only for the purposes specified in this Plan. Such procedure shall not be used to protest a denial of an Unemployment Insurance Benefit or to determine whether or not an Unemployment Insurance Benefit should have been

paid (appeal procedures under the Unemployment Insurance Act being the exclusive remedy therefor.)

**Article 13 - Board of Administration and
Local Review Committee**

13.01 Local Review Committee

- (a) A Local Review Committee (herein referred to as the Committee) shall be established at each location by the Company and each local Union that is covered by a Collective Bargaining Agreement. Each such Committee shall consist of not more than four members, one half of whom shall be designated by the Company and one half by the local Union. Each such member shall have an alternate. The representatives of the Company and such local Union on the Committee shall each collectively have one vote and one representative of each party shall constitute a quorum.
- (b) It shall be the purpose of the Local Review Committee to hear first stage appeals as indicated in Article 12.01 of this Section and as requested by the Company to assist in the day-to-day administration of the Plan at the local level.
- (c) The details and decision as to any first stage appeal heard by the Committee shall be filed promptly with the Board for the purposes of uniformity of Plan administration and interpretation.

13.02 Board of Administration

- (a) A Board of Administration (herein referred to as the Board) shall be established by the Company and the Union. Such Board shall consist of not more than six members, one half of whom shall be designated by the Company and one half by the Union. Each such member shall have an alternate. The representatives of the Company and the Union on the Board shall each collectively have one vote and two representatives of each party shall constitute a quorum.
- (b) The members of the Board shall appoint an impartial chairman, who shall serve until requested in writing to resign by three members of the Board. In the event that the

members of the Board are unable to agree upon such chairman, the Ontario Minister of Labour shall be requested to name a panel of five nominees. Each of the parties in turn shall strike a name from the panel, and the last name remaining shall be appointed the impartial chairman.

The impartial chairman shall be considered a member of the Board, but shall be required to meet and shall vote only in matters within the Board's authority to determine when the other members of the Board shall have been unable to dispose of such matter by majority vote. The impartial chairman shall be furnished a copy of each appeal to the Board and the Board's decision thereon, and the minutes of the Board's meetings.

13.03 Powers and Authority of the Board

The Board shall be empowered and authorized and shall have jurisdiction:

- (a) to hear and determine appeals by persons pursuant to Article 12;
- (b) to obtain from applicants, the Company, the Union, and elsewhere, such information as the Board shall deem necessary in order to determine such appeals;
- (c) consistent with the provisions of this Article, to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;
- (d) through the Company to authorize the Trustee to make payments of Benefits pursuant to determinations made by the Board;
- (e) to authorize payment by the Trustee from the Fund of expenses of the Board which under the terms of the Plan are to be paid from such Fund;
- (f) to interpret the Plan and to rule on any disputes arising thereon;
- (g) to prepare and distribute information explaining the Plan and

through the Company, to authorize the Trustee to make payments for the cost of such preparation and distribution of information;

- (h) to perform such other duties as are expressly conferred upon it by the Plan;
- (i) to rule upon disputes as to whether any Short Work Week Benefit resulting from an Act of God as defined in Article 4.01(d).

13.04 Limitations on Board Powers

- (a) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Benefits set forth therein, or any other provision of the Plan, and shall have no jurisdiction other than to determine on the basis of the facts presented and in accordance with the provisions of the Plan:
 - (i) whether the first stage appeal and the appeal to the Board were made within the time and in the manner specified in Article 12;
 - (ii) whether the person is an eligible person with respect to the Benefit claimed, and, if so;
 - (iii) the amount of any Benefit payable.
- (b) The Board shall have no power to determine questions arising under the collective bargaining agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefor by the collective bargaining agreement, and all determinations made pursuant to such agreement shall be accepted by the Board.
- (c) Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Company or the Union.

13.05 General

- (a) Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it to the Board. The Company and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.
- (b) Decisions of the Committee shall and the Board be by a majority of the votes cast.
- (c) Neither the Committee nor the Board shall maintain any separate office or staff, but the Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Committee and the Board shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, one copy to be sent to the Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

Article 14 - Cost of Administering the Plan

14.01 Expenses of Trustee

The costs and expenses incurred by the Trustee under the Plan shall be charged to the Fund.

14.02 Expenses of the Board of Administration

The impartial chairman of the Board shall receive compensation in such amount and on such basis as may be determined by the other members of the Board and such compensation, as well as reasonable and necessary expenses of the Board, shall be borne by the Fund. The Company and Union members of the Board shall serve without compensation from the Fund.

14.03 Cost of Administrative Service Performed by the Company

The Company shall have the right to be reimbursed each year from the Fund for the cost to the Company of services performed by it during the preceding year in carrying out its

duties under the Plan (other than those incurred by or on behalf of the members of the Board which, under the provisions of the Plan, are to be borne by the Company) as certified to by a qualified independent firm of chartered accountants selected by the Company.

Article 15 - Company Reports

15.01 Monthly Reports

Not later than the third Tuesday following the first Monday of each month the Company shall furnish a statement to the Union and using reports from the Trustee, showing for the preceding month:

- (a) a reconciliation of the Fund activity during such month including the amount of Company contributions and other receipts, the benefits paid, expenses charged and losses or gains in Fund assets. The market value of the Fund shall be determined as of the close of business on the Friday following the last Monday of the preceding month;
- (b) a reconciliation of Company contributions paid to the Fund in accordance with Article 4.01;
- (c) the Maximum Funding;
- (d) the Credit Unit Cancellation Base;
- (e) Average Full Benefit Rate and the calculation thereof;
- (f) the number of Employees in Active Service and the number of laid-off persons not in Active Service but having Credit Units;
- (g) the number of Weekly Supplemental Benefits and the amount thereof;
- (h) the number and amount of Short Work Week Benefits by which the amount in (b) above was reduced;
- (i) the number and amount of Separation Payments by which

the amount in (b) above was reduced;

- (j) a reconciliation of the amount, if any, of payments paid by the Company which could not be offset against Company contributions to the Fund and which were deducted from the market value of the assets in the Fund in determining the relationship of the assets of the Fund to Maximum Funding. Such reconciliation will show the total amount of any such additional Company payments paid and the total amount of such Company payments deducted from Company contributions, during the period covered by the Report.

15.02 Annual Company Reports

- (a) Not later than January 31st of each year, the Company shall furnish a statement to the Union showing the number of Employees to whom Guaranteed Annual Income Credit Units were granted and the number of such units.
- (b) Not later than December 1st of each year the Company shall furnish to the Union a statement, certified by a qualified independent firm of chartered accountants selected by the Company verifying the accuracy of the information supplied to the Union during the preceding year.

15.03 Yearly Statements

The Company shall furnish to each Employee credited with Credit Units as of each December 31st, a statement showing the number of such Credit Units.

15.04 Reasonable Requests

The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company may have compiled.

Article 16 - Liability

- 16.01** The provisions of Articles 1 through 19 constitute the entire Plan. The provisions of Article 4 express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the Plan and providing for benefits and payments. Without limiting

the foregoing, no Benefit shall be payable from the Fund except as stated in the Plan, and the Company shall not be obligated to provide for any benefit or payment not provided for in the Plan, or to make any contribution to the Fund not specifically provided for in the Plan, even though the assets in the Fund should be insufficient to pay Benefits to which eligible persons would have been entitled under the Plan were the assets of the Fund adequate to pay such benefits; and the Union shall not call upon the Company to make or provide for any such benefit or payment. The Company shall not be obligated to make up, or provide for making up, any depreciation in the value of the securities held in the Fund (other than as contributions by the Company may be required under the provisions of Article 4, when the assets of the Fund are less than the maximum funding) and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.

16.02 The Board of Administration, the Company, the Trustee and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

16.03 Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willful misconduct or fraud.

Article 17 - Miscellaneous Provisions

17.01 No Vested Interest

No person shall have any right, title, or interest in or to any of the assets of the Fund or in or to any Company contributions thereto.

17.02 Non Alienation of Benefits

No benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind, and any attempt to accomplish the same will be void. In the event that the Board

of Administration shall find that such an attempt has been made with respect to any Benefit due or to become due to any person, the Board of Administration in its sole discretion may terminate the interest of such person in such Benefit and apply the amount of such Benefit to or for the benefit of such person, his spouse, parents, children or other relatives or dependents as the Board of Administration may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit.

17.03 To Whom Benefits are Payable in Certain Conditions

Benefits shall be payable hereunder only to the person who is eligible therefor, except that if the Board of Administration shall find that such a person is deceased or is unable to manage his affairs for any reason, any Benefit payable to him shall be paid to his duly appointed legal representative, if there is one, and if not, to the spouse, parents, children, or other relatives or dependents of such person as the Board of Administration in its discretion may determine. Any payment so made shall be a complete discharge of any liability with respect to such Benefit. In the case of death, no Benefit shall be payable with respect to any period following the end of the week in which the person's death occurred, but payment shall be made (if the person was otherwise eligible) for the full period of the week in which death occurred.

17.04 Status of Persons Receiving Benefits

Neither the Company's contributions nor any Benefit paid under the Plan shall be considered a part of any Employee's wages for any purposes. No person who receives any Benefit shall for that reason be deemed an employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other employee benefit plan to which the Company contributes than he would if he were not receiving such Benefit.

17.05 Grievance Procedure

No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in any collective bargaining agreement.

17.06 Company Authority

Nothing contained herein shall be deemed to qualify, limit or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time, levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board of Administration any voice in such matters.

17.07 Applicable Law

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the Province of Ontario, except that the eligibility of a person for, and the amount and duration of, Unemployment Insurance Benefits shall be determined in accordance with the Employment Insurance Act of Canada.

17.08 Filing of Applications - S.U.B. Benefit

No employee shall be eligible for a Regular Benefit unless and until he shall have made due application in accordance with Article 5.01 and such application is made within 60 calendar days from the end of the week with respect to which application is made.

Article 18 - Welfare Continuance

18.01 Employees on layoff who are eligible for a Regular Benefit and have, to their credit, as of their last day worked for the Company 12 or more Credit Units will continue to be covered under the benefits as outlined in Paragraph 5.02 of the Insurance Program.

18.02 The cost of such continued coverage will be paid by the

Company and not charged against the Fund

Article 19 - Continuation of the Plan

19.01 Purpose of the Plan - Supplementation of Unemployment Insurance Benefits

It is the purpose of this Plan to supplement Unemployment Insurance Benefits and not to replace or duplicate them to any extent, and Weekly Supplemental Benefits will not be payable until it has been established to the satisfaction of the Company by administrative rulings from competent authorities, or by amendments of the Unemployment Insurance Act, that Supplementation, as defined in Article 1, is permitted. If such ruling or amendment has not been received on or before January 1, 2001, or if any such ruling or amendment, having been obtained, shall be revoked or modified in such manner as to be no longer satisfactory to the Company, the parties shall attempt to develop an alternative method of accomplishing the purpose of this Plan. If within 60 days of the commencement of such attempt (or such extended period as the parties may agree to), the parties have not been able to agree upon an alternative method, all obligations of the Company under the Plan shall cease and the Plan thereupon shall terminate and be of no further effect (without in any way affecting the validity or operation of the existing Collective Bargaining Agreement), except for the purpose of paying the expenses of administration, and the parties shall negotiate as to the disposal of any assets remaining in the Fund.

19.02 Effect of Revocation of Income Tax Rulings

In the event that any ruling required under Section I, Article 1.05, having been obtained, shall be revoked or modified in such manner as to be no longer satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan thereupon shall terminate and be of no further effect (without in any way affecting the validity or operation of the existing Collective Bargaining Agreement), except for the purpose of disposing of the assets of the Fund as set forth in Article 19.03(b) below.

19.03 Amendment and Termination of the Plan

- (a) So long as any Collective Bargaining Agreement concerning this Supplemental Unemployment Benefit Plan shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated except as may be proper or permissible under the terms of the Plan or such Agreement. Upon the Termination of such Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend or terminate the Plan except as may be otherwise provided in any subsequent Agreement between the Company and the Union.
- (b) Upon the Termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Fund shall be subject to all of the applicable provisions of the Plan then in effect and shall be used until exhausted to pay expenses of administration and to pay Benefits to eligible applicants (having sufficient Credit Units) laid off or thereafter laid off, in the order, each week, of the respective dates as of which they were laid off. Article 5.02(b)(ix) and Article 8.05 shall not be applicable. Should any money remain in the Fund after the payment of the above amounts, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for Employee benefits not inconsistent with the purposes of the Plan.

SECTION III
SHORT WORK WEEK BENEFIT PLAN

Article 1 - Definitions

- 1.01 (a) "Short Work Week Benefit" means such weekly benefit as is payable to eligible Employees in accordance with the terms of this Short Work Week Benefit Plan.
- (b) "Base Hourly Rate" means the highest straight hourly rate during the last week worked prior to the Short Work Week with respect to which a Benefit is payable; the Base Hourly Rate will be the same as their hourly rates as set out in the

wage schedule of the Collective Agreement.

- (c) Any term used herein which has a counterpart that is defined in Section II hereof shall have the same meaning, for the purposes of this Short Work Week Benefit Plan, as such term has under Section II and, in addition, the term "Plan", wherever used in Section II, shall be construed to include his Short Work Week Benefit Plan except to the extent that such construction would be inconsistent with the provisions hereof; provided, however, that in the event of any conflict between the provisions of this Short Work Week Benefit Plan and the provisions of Section II the provisions of this Short Work Week Benefit Plan will control to the extent of eliminating such conflict.

Article 2 - Eligibility

- 2.01** An Employee shall be eligible for a Short Work Week Benefit with respect to a Work Week commencing on or after March 1, 2001 only if:
- (a) he has at least one year of Seniority as of the last day of such Work Week; and
 - (b) during such week he has less than 40 Compensated or Available Hours and
 - (i) he performed some work for the Company, or
 - (ii) for such week he received some jury duty pay or bereavement pay from the Company, or
 - (iii) for such week, he received only holiday pay from the Company and, for the immediately preceding week, he either received a Short Work Week Benefit or had 40 or more Compensated or Available Hours;
 - (c) during some part of such Work Week he was on a layoff from the Bargaining Unit and such layoff occurred in a reduction in force or temporary layoff, including a layoff because of the discontinuance of the Plant or an operation,

or occurred or continued because the applicant was unable to do the work offered by the Company although able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority.

Article 3 - Compensated or Available Hours

3.01 For the purposes of this Short Work Week Benefit Plan, "Compensated or Available Hours" for a Work Week shall include:

- (a) all hours for which an Employee receives pay from the Company with each hour paid at premium rates to be counted as one hour, including:
 - (i) call in pay,
 - (ii) holiday pay, and
 - (iii) vacation pay allocated to the designated vacation week;
- (b) all hours scheduled for or made available to the Employee by the Company but not worked by the Employee (including any period on leave of absence); except those hours which the Employee had the option to refuse under the Collective Bargaining Agreement;
- (c) all hours not worked by written agreement between the Company and the Union;
- (d) all hours not worked by the Employee for reasons which would disqualify him from receiving a Weekly Supplemental Benefit.

3.02 Notwithstanding the provisions of Article 3.01 above, if, before a layoff of Employees during a Work Week beginning on or after March 1, 2001, notice of intent to work overtime has not been given to employees by the Company, overtime which is worked or available during that Work Week but following the layoff and which is in excess of 2 hours will not be included in determining "Compensated or Available

Hours". Notice of intent to workovertime shall include without limitation either notice of the overtime schedule which would be applicable to the Employee or an offer of work to the Employee.

Article 4 - Determination of Amount

4.01 The Short Work Week Benefit payable to any eligible Employee for a Short Work Week shall be an amount equal to the product of:

- (a) 80% of his Base Hourly Rate (plus 80% of any cost of living allowance then in effect but excluding all other premiums and bonuses of any kind), multiplied by
- (b) the number by which 40 exceeds the number of his Compensated or Available Hours for such Work Week (with any fractional hour expressed as a decimal to the nearest tenth).

4.02 Notwithstanding any of the other provisions of the Plan:

- (a) Any Short Work Week Benefit with respect to a Short Work Week shall be reduced by 20% if:

<i>And if the Credit Unit Cancellation Base applicable to the Week for The Week for which a Benefit is paid begins:</i>	<i>And as of the last day of the week for which such Benefit is paid to the which such Benefit is paid is:</i>	<i>Employee his Seniority is:</i>
On or after	\$33.00 - \$106.49	1 to 10 years
March 1, 2001	Below \$106.50	10 to 20 years

- (b) If the Credit Unit Cancellation Base for any Work Week shall be less than \$33.00, no Short Work Week Benefit shall be paid at any time for an Employee with less than 10 years of Seniority as of the last day of the week for which any benefit is being computed.

4.03 Withholding Tax

There shall be deducted from the amount of any Short Work Week Benefit as computed under this Short Work Week Benefit Plan any amount required to be withheld by the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial or municipal government.

Article 5 - Method of Payment

5.01 A Short Work Week Benefit shall be payable by the Company.

5.02 Any Short Work Week Benefit payable for a Work Week under the provisions of this Short Work Week Benefit Plan shall be in lieu of any other Regular Benefit payable under the Supplementary Unemployment Benefit Plan with respect to such Work Week.

Article 6 - Application for Determination

6.01 No application for a Short Work Week Benefit shall be required of an Employee. However, if an Employee believes himself entitled to a Short Work Week Benefit for a Work Week under this Short Week Benefit Plan, which he does not receive on the date when Short Work Week Benefits for such Work Week are paid, he may make written application therefor in accordance with procedures established by the Company.

6.02 The Company shall promptly determine the Employee's eligibility for a Short Work Week Benefit, and such Short Work Week Benefit shall be paid or denied in accordance with such determination. If the Company determines that an Employee is not entitled to a Short Work Week Benefit with respect to the Work Week for which application for such Short Work Week Benefit is made, it shall send prompt written notice thereof to him.

Article 7 - Overpayment

- 7.01 If the Company or the Board determines after issuance of a Short Work Week Benefit that the Short Work Week Benefit should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the Employee and he shall return the amount of the overpayment to the Fund; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3.00 or less or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation. Notwithstanding the foregoing if overpayment is from Company error, then written notice must be given within 120 days of the issue date of the first cheque.
- 7.02 If the Employee shall fail to return such amount of overpayment promptly, the Company shall arrange to reimburse the Trustee for the amount of overpayment by making a deduction from any future Short Work Week Benefits (not to exceed \$50.00 from any one Short Work Week Benefit except in cases of fraud or willful misrepresentation) otherwise payable to such Employee, or to make a deduction from compensation payable by the Company to such Employee (not to exceed \$50.00 from any one pay cheque except in cases of fraud or willful misrepresentation) or both. The Company is authorized to make the deduction from the Employee's compensation as provided under this subsection and to pay the amounts deducted to the Trustee.
- 7.03 If the Company determines that an Employee has received a Short Work Week Benefit for any Work Week with respect to all or part of which he has received an Unemployment Insurance Benefit, the full amount of such Short Work Week Benefit, or a portion of the Short Work Week Benefit equivalent to the Unemployment Insurance Benefit or that part thereof applicable to such week, whichever is less, shall be treated as an overpayment in accordance with this Article.

Article 8 - Reports by the Company

Not later than the third Tuesday following the first Monday of each month the Company shall furnish to the Union a statement showing the number and amounts of Short Work Week Benefits, if any, paid each Work Week during the preceding month, and shall set out the amount of reduction in contributions to the Fund due to such benefit payments.

Article 9 - Board of Administration

- 9.01 The Board shall be empowered and authorized and shall have jurisdiction to direct the Company to pay Short Work Week Benefits pursuant to determinations made by the Board.
- 9.02 An Employee, or a Union Member of the Board may appeal a Company determination of benefit and such appeal shall be heard by the Board.

SECTION IV SEPARATION PAYMENT PLAN

Article 1 - Definitions

- 1.01 (a) "Separation Payment" means such benefit as is payable to eligible Employees in accordance with the terms of this Separation Payment Plan.
- (b) Any term used herein which has a counterpart that is defined in Section II shall have the same meaning for the purposes of this Separation Payment Plan, as such term has under Section II and, in addition, the term "Plan", wherever used in the Supplemental Unemployment Benefit Plan, shall be construed to include this Separation Payment Plan except to the extent that such construction would be inconsistent with the provisions hereof; provided, however, that in the event of any conflict between the provisions of the Separation Payment Plan and the provisions of Section II, the provisions

of this Separation Payment Plan will control to the extent of eliminating such conflict.

Article 2 - Eligibility

2.01 An applicant who is an Employee in Active Service on or after March 1, 2001 shall be eligible for a Separation Payment provided that:

- (a) on or after March 1, 2001:
 - (i) he is laid off from the Company and the reason for the layoff will not be disqualifying for a Regular Benefit under the Supplemental Unemployment Benefit Plan and either the layoff from the Company is for a continuous period of at least 12 months, or
 - (ii) the Employee is retired at or after age 60 or is automatically retired under the terms of the Pension Plan, or
 - (iii) the Employee becomes permanently and totally disabled, or
 - (iv) the Employee retires prior to age 60 and has completed 30 or more years of credited service; and
- (b) he has had 2 or more years of Seniority on the last day he worked for the Company and such years of Seniority have not been broken except by retirement on or prior to the date on which an application is made to the Company; and
- (c) he has not refused an offer of work pursuant to any of the conditions set forth in the Collective Bargaining Agreement, provided that any such refusal is on or after the last day he worked for the Company and prior to the earliest day on which he can make application pursuant to the provisions of this Plan and provided that refusal by the person after he is retired under the terms of the Pension Plan shall not result in ineligibility for a Separation Payment; and

- (d) he has made application for a Separation Payment in accordance with the procedure established by the Company subsequent to 12 months from the commencement date of layoff and prior to the later of 24 months (36 months in the case of an Employee in Active Service on or after March 1, 1989 who has 10 or more years of Seniority as of his last day worked prior to layoff) from the commencement date or 30 days following receipt of the last benefit under any insurance program operated by the Company, but this will not apply to those Employees subject to retirement or disability in accordance with the terms of the Pension Plan; and
- (e) if he qualifies under Article 2.01(a)(iv), the Separation Payment shall become payable at the time of the Employee's retirement from employment; and
- (f) his application is received by the Company during a Pay Period when the Credit Unit Cancellation Base under the Supplemental Unemployment Benefit Plan for such Pay Period is equal to or in excess of \$106.50.

Provided, however, that benefits based on applications of otherwise eligible Employees received during a Pay Period described above in which the Credit Unit Cancellation Base for such period is less than the Credit Unit Cancellation Base stated for such period, shall become payable in order of dates of receipt by the Company if, but only during the period of time when the Credit Unit Cancellation Base becomes equal to or greater than the amount stated in subparagraph (f) above for such period, such Separation Payments shall have priority of payment over any other applications for Separation Payments.

Article 3 - Payment

- 3.01** The Separation Payment shall be payable to the Employee by the Company in a lump sum.

3.02 Determination of Amount

With respect to Separation Payments made by the Company on and after March 1, 2001, the amount of the Separation Payment shall be \$50.00 per year for completed years of service to a maximum of 30 years' credited service.

3.03 Withholding Tax

The Company shall deduct from the amount of any Separation Payment as computed under this Separation Payment Plan any amount required to be withheld by the Company by reason of any law or regulation for payment of taxes or otherwise of any federal, provincial, or municipal government.

3.04 Overpayment

If the Company determines after issuance of a Separation Payment that the Separation Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the applicant and he shall return the amount of the overpayment to the Company. The Company shall add the amount of any such overpayment returned by the former Employee to the amount of contributions required under Article 4.01 of Section II.

3.05 Death

Any Separation Payment to which an Employee may become entitled shall be payable only to him, except that if after becoming entitled to a Separation Payment, but before it is paid, the Employee dies, any payment then payable to the Employee shall be paid to his spouse. Any payment so made shall be a complete discharge of any liability with respect to such payment.

Article 4 - Effect of Separation Payment on Seniority

- 4.01** An Employee who is issued and accepts a Separation Payment shall cease to be an Employee and shall have his Seniority cancelled at any and all of the Company's plants and locations as of the date of his application for such Separation Payment was received by the Company.

Article 5 - Re-Employment

5.01 If a person is again employed by the Company after he has received a Separation Payment, no repayment by the person of such Separation Payment paid previously shall be required or allowed and no Seniority cancelled previously shall be reinstated.

Article 6 - Reports and Notices by the Company

6.01 The Company shall furnish to the Union from time to time a listing showing the names of the persons who, during the preceding period, accepted a Separation Payment provided under this Separation Payment Plan, together with both the individual gross and net amounts of such Separation Payments and the reduction in contributions with respect thereto.

6.02 The Company shall provide written notice of the time limit for filing a Separation Payment application to all persons who may be eligible for such payment. Such notice shall be mailed to the person's last address of record not later than 30 days prior to both the earliest and the latest date as of which may apply pursuant to the provisions of this Separation Payment Plan.

AGREEMENT
FOR AN
INSURANCE PROGRAMME
FOR HOURLY EMPLOYEES
OF
MERITOR SUSPENSION
SYSTEMS COMPANY
AND
NATIONAL AUTOMOBILE
AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS
UNION OF CANADA
C.A.W.
LOCALS NO. 127
(CHATHAM, ONTARIO),
NO. 1067 (MILTON, ONTARIO),
AND
No. 35 (CHATHAM, ONTARIO)

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SECTION I - AGREEMENT FOR AN INSURANCE
PROGRAMME

Entered into this 22st day of November, 2000

Between:

MERITOR SUSPENSION SYSTEMS COMPANY

Hereinafter called the "Company",

and,

NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA

hereinafter call the "Union".

Whereas the parties hereto have agreed to the establishment of a Group Life, Transition & Bridge Survivor Income, Accidental Death and Dismemberment, Weekly Indemnity, Extended Disability Benefit, Semi-Private Hospital, Prescription Drug Programme, Vision Care Expense Insurance, Dental Care Insurance, Nursing Home Benefit, Prosthetic Appliance and Durable Equipment Insurance & Hearing Aid Expense Insurance Plan, and Clarica Out of Province Emergency and Travel Assistance Benefit.

Whereas the basis of the Company's and employee's contributions to the new plan have been set forth herein.

Now, therefore, and in witness whereof the parties have set their hands at London, Ontario, this 22st day of November, 2001.

SECTION I -AGREEMENT FOR AN
INSURANCE PROGRAMME
(Continued)

FOR THE COMPANY

FOR THE UNION

Gary Strickland
Chuck Weisbaum
Peter Brennan
John Gooch
John Gates
Jim Hall
Chris Johnston
Gino Negri
Harold MacKinnon

Robert Jenner
Brad Gillis
Gord Allen
Gord Adams
Stan Karnas
Mark Woodrow
Jerry Kenney
Sym Gill
Robert Tope
Charlie Formosa

SECTION II -GENERAL PROVISIONS

ARTICLE 1 -DEFINITIONS

1.01 The following terms, wherever used in this agreement shall have the meanings set forth below:

(a) "Collective Bargaining Agreement" means the collective agreement between the Company and the Union dated March 1, 2001, or any succeeding collective agreement relating to wages and other terms and conditions of employment.

(b) "Employee" or "employees" means all persons for whom the Union is the bargaining agent as provided in the said Collective Bargaining Agreement.

(c) "Participant" means a person eligible for the Insurance Programme according to its terms, who is duly enrolled

therein and whose insurance has not been terminated.

(d) "Dependent" means and includes a person who is the legal or common law spouse of a participant and the unmarried dependent child or children until the end of the year the eligible dependent attains age 25 except as provided in Section 3, Article 6, of a participant.

(e) "Physician" means medical practitioner who is registered under the Medical Act of the Province of Ontario or such similar statute or laws as governs the practices of medicine.

(f) "Total and Permanent Disability" means disability as a result of accident, injury or disease which prevents the employee from engaging in any business or occupation and from performing any work for compensation or profit; except any disability:

- (i) resulting from or consisting of chronic alcoholism or self-induced addiction to narcotics, (unless in an approved treatment or rehabilitative program for substance abuse), or; under the care and treatment of a physician for alcohol or drug abuse.
- (ii) which was contracted, suffered or incurred while the employee was engaged in, or resulting from his having engaged in, a criminal enterprise or;
- (iii) resulting from a willful self-inflicted injury, while sane or insane.

(g) "Semi-Private Hospital": If, while insured, employee or covered Dependent become confined in a legally constituted hospital in Canada as a result of injury or sickness, upon the recommendation of a physician or surgeon legally licensed to practice medicine, for at least 18 consecutive hours (no minimum hours of confinement required for surgery or for emergency care received within a day following an accident), benefits will be paid for room and board for approved medical services up to the difference between the hospital's semi-private charge and the charge for public ward accommodation. Benefits for maternity are payable on the same basis as any other illness.

Note: Hospital room and board charges which in the opinion of the insurance carrier are primarily for custodial or chronic care are not covered medical expenses.

ARTICLE 2 - EFFECTIVE DATES OF COVERAGES

- 2.01 To implement the Insurance Programme agreed upon herein, the Company shall enter into contracts of insurance with insurance companies or Service Plans where applicable under the terms of which insurance contracts or agreements the insurance companies or Service Plans as the case may be, shall contract to provide for participants the benefits described in the Insurance programme.
- 2.02 The Insurance Programme shall be available to all employees who are eligible to its terms.
- 2.03 The Insurance Programme shall become effective on December 1, 1980 subject to the individual effective dates applicable to changes or additions to benefits set out in the Insurance Programme herein.

ARTICLE 3 - PREMIUMS AND ADMINISTRATION

- 3.01 The Company at its sole expense will pay the entire cost of the programme, except for Dependent Life Insurance which is paid in full by the employee. If legislation or other causes result in a decrease in premiums, except for Dependent Life Insurance, the credit shall flow to the Company providing the coverage is not materially altered.
- 3.02 The Company shall determine all administrative procedures which may be required to carry out the Insurance Programme. The normal administrative expenses incurred by the Company in carrying out the Insurance programme shall be borne by the Company.
- 3.03 Disputes or differences between participants and the insurance companies or between participants and the Company, shall not be subject to the grievance or arbitration

provisions of the Collective Bargaining Agreement nor subject to arbitration in any other manner, except with respect to those disputes or differences pertaining to Weekly Indemnity claims, such disputes and differences shall be subject to the system of medical arbitration established jointly by the Company and the Union.

3.04 Failure of the insurance companies to provide any benefit shall be considered to be a breach by the Company of any of the obligations it has undertaken by this or any other agreement with the Union or with any participant.

3.05 During the term of the Agreement the Union agrees that it will not:

(a) make any request that the Company increase its contributions toward the cost of any programme of insurance benefits for employees or their dependents, or,

(b) make any request that the Company increase the rates of pay of employees in account of or for use in paying the cost, in whole or in part, of any programme of insurance for employees or their dependents.

ARTICLE 4 - LEGISLATIVE CHANGES

4.01 If at any time hereafter a Federal or Provincial government passes legislation which directly or indirectly has the effect of providing benefits similar to one or more of the benefits described in the Plan for which the employees as a class shall be eligible, this Agreement shall automatically be revised for the purpose of integrating any Federal or Provincial government plan with the Plan on the expiration of thirty days after the proclamation of such statute or change or on the date such statute or change comes into effect, whichever is later.

During such thirty-day period or such longer period as may reasonably be required to carry out such integration, the Programme will be modified, subject to mutual agreement

between the Company and the Union, to the extent necessary to make the total benefits as nearly comparable as practical to the benefits under this Insurance Programme. The Company will pay the portion of the premium costs of the total benefits that equal but does not exceed its current cost for this Insurance Programme. The employees will pay the remaining portion.

ARTICLE 5 - PROVISIONS FOR EMPLOYEES NOT
ACTIVELY AT WORK

- 5.01 In the event of layoff, leave of absence or sick leave, the Company agrees to continue the insurance with respect to a covered employee to the end of the month next following the month in which the layoff, leave of absence or sick leave takes place. Dependent Life Insurance will be continued providing the employee makes the necessary contributions.
- 5.02 a) In the event of layoff and effective March 1, 2001, the Company agrees to continue Group Life Insurance, Transition & Bridge Survivor Income, Accidental Death & Dismemberment, Weekly Indemnity, Extended Disability Benefits, Semi-Private Hospital, Prescription Drug Programme, Vision Care Expense Insurance, Dental Care Insurance, Nursing Home Benefits, Prosthetic Appliance and Durable Equipment Expense Insurance, Hearing Aid Benefits, and Clarica Out of Province emergency and Travel Assistance Benefit with respect to a covered employee for up to twelve (12) months in addition to Article 5.01 in accordance with the schedule below, however, Weekly Indemnity will only be paid if the employee is not in receipt of either Unemployment Insurance Benefits or Supplementary Unemployment Benefits. Dependent Life Insurance effective 8/1/81 will be continued providing the employee makes the necessary contributions.

For Employees with 10 or more years of seniority, who are laid off on or after March 1, 1986, benefits for Life Insurance, Extra Accident Insurance and Hospital Insurance - Room and Board Benefits, will be continued, at no cost to the Employee to the end of the month next following the month

in which layoff occurs and then for up to 18 months.

Number of Credit Units to Employee's Credit as of last day worked prior to layoff	Number of months for which coverage will be continued without cost to Employee
--	--

12 - 15 units	3
16 - 19 units	4
20 - 23 units	5
24 - 27 units	6
28 - 31 units	
32 - 35 units	8
36 - 39 units	9
40 - 43 units	10
44 - 47 units	11
48 - 52 units	12

After exhausting available credit units, or when no credit units are available, the employee may continue benefits at his own expense for a period not to exceed twelve additional months.

(b) Notwithstanding the provisions of 5.02(a), an employee with at least one year's seniority shall have continued coverage provided on the basis of the following formula if it will provide a greater duration than that set forth in Article 5.02(a).

Years of Seniority	Month of Additional Coverage
Less than 1	0
1 - 2	2
2 - 3	4
3 - 4	6
4 - 5	8
5 - 6	10
6 and over	12

And thereafter permit continued coverage for up to 12 additional months at the employee's expense on the same basis as in 5.02(a).

- 5.03 In the event of a covered employee being granted leave of absence for Local union business, the employee may continue the coverage provided under Section III and/or Section V and/or Section VI at his own expense for the period of such leave of absence.
- 5.04 In the event of a covered employee being granted Sick Leave and effective April 22, 1974, the Company agrees to continue Group Life Insurance, Accidental Death & Dismemberment and Survivor Income benefits for up to a total of forty-eight (48) months, including the period provided for under Article 5.01.
- 5.05 In the case of leave of absence due to sickness or accident, the plans will be continued by the Company for the benefit of such employees and dependents for a period of twelve (12) months. The Company will review individual cases that exceed the twelve month period
- 5.06 Company will continue Group Insurance coverage for employees during an approved maternity leave of absence.

ARTICLE 6
COVERAGE ON TERMINATION OF EMPLOYMENT

- 6.01 In the event of an appeal of discharge or loss of seniority the affected employee may continue the Group Life Insurance, Dependent Life Insurance, Transition & Bridge Survivor Income, Accidental Death & Dismemberment, Weekly Indemnity, Extended Disability Benefit, Semi-Private Hospital, Ground Ambulance, Prescription Drug Programme, Vision Care Expense Insurance, Dental Care Insurance, Nursing Home Benefits, Prosthetic Appliance and Durable Equipment Insurance, Hearing Aid Benefits, and Clarica Out of Province emergency and Travel Assistance Benefit for which he was covered immediately prior to such discharge or loss of seniority at his own expense and at the then applicable premium rates paid by him and while said grievance is pending. In the event of the employees reinstatement, the employee will be reimbursed for the aggregated of premiums paid by him, except for Dependent Life Insurance.

6.02 All Other Terminations of Employment

- (a) Subject to Article 5, and Article 6.01, all insurance shall terminate on the date of termination of employment.
- (b) If an employee dies within thirty one days following the date of cancellation of his Group Life Insurance and Transition & Bridge Survivor Income Benefits, the total amount of Insurance in force at the date of termination shall be paid to his named beneficiary.
- (c) During such 31 -day period the employee shall be entitled to convert without medical examination all or any part of the Group Life Insurance, cancelled upon termination into any individual policy then customarily issued by the insurance company, except term insurance and without disability or accidental death insurance, at the risk provided application is made within 31 days following date of cancellation of such insurance. Such individual insurance policy shall become effective at the end of such 31 day period.
- (d) All retired employees, except those retiring under Section 3.05 of the Pension Plan (two-year vesting), will continue to be covered for Semi-Private Hospital, Nursing Home Benefits, Prescription Drug Plan, Prosthetic Appliance and Durable Equipment, Vision care Expense Insurance and Hearing Aid Expense benefits, Dental Care and the Clarica Out of Province emergency and Travel Assistance Benefit. Premiums will be paid by the Company where necessary.
- (e) All surviving spouses receiving pension and all spouses of pensioners not receiving pension, except those surviving spouses and spouses of pensioners who retired under Section 3.05 of the Pension Plan (two-year vesting), will be covered for Semi-Private Hospital, Ground Ambulance, Nursing Home Benefits, Prescription Drug Plan, Dental Care Insurance, Prosthetic Appliance and Durable Equipment, Vision Care Expense Insurance and Hearing Aid Expense Benefits, and Clarica Out of

Province emergency and Travel Assistance Benefit will be paid by the Company.

- (f) Effective March 1, 2001 the Company will provide full employer paid Health Care Benefits for Bridge eligible survivors for thirty-six months following the worker's death.

ARTICLE 7 - DURATION OF AGREEMENT DURATION OF AGREEMENT

7.01 This Agreement shall become effective on the date of its execution and shall remain in effect for the term of the Collective Bargaining Agreement terminating on March 14, 2004. It shall automatically be renewed in accordance with the section headed "Termination" of the Master Collective Bargaining Agreement.

7.02 The Insurance Programme shall become effective on the date set out in Article 2 and shall remain in effect for the duration of this Agreement as set out in paragraph 7.01 hereof.

ARTICLE 8 - ELIGIBILITY AND ENROLLMENT

8.01 Present and New Employees - Date of Eligibility: An employee hired prior to the effective date of the Plan as amended shall be eligible on the effective date of the Plan. An employee hired on and after the effective date of the Plan as amended shall be eligible on acquiring seniority in accordance with the Collective Bargaining Agreement. Vision Care and Hearing Aid Benefits are available to employees after completion of one year of service.

8.02 Effective Date of Insurance

- (a) An employee shall become insured on the date he first becomes eligible if actively at work on that date and provided he has enrolled on or before that date.

- (b) An employee who enrolls during the 31 days following his eligibility shall become insured on the date he enrolls provided he is actively at work.
- (c) If an employee shall not be actively at work on the date his insurance would otherwise become effective, the employee becomes insured on the date the employee returns to work provided that date is not more than twenty-four months later, or if later, the employee has not then broken seniority.

8.03 Job Related Accidental Fatalities
 The Company will provide full employer paid coverage.

**SECTION III - LIFE INSURANCE AND
 WEEKLY INDEMNITY INSURANCE**

**ARTICLE 1 -AMOUNT OF LIFE INSURANCE AND
 WEEKLY INDEMNITY INSURANCE**

1.01 (a) The amount of insurance for all eligible employees shall be as follows:

Life Insurance	\$49,000 effective Mar.
1/01	\$50,000 effective Mar. 1/02
	\$51,000 effective Mar. 1/03
Accidental Death & Dismemberment	\$49,000 effective Mar. 1/01
	\$50,000 effective Mar. 1/02
	\$51,000 effective Mar. 1/03
Weekly Indemnity Benefits -	
Weekly Benefit Maximum -	
52 weeks, for any one	
disability	\$460 per week effective Mar. 1/01
	\$470 per week effective Mar. 1/02
	\$480 per week effective Mar. 1/03

(b) All employees who retire on or after March 1, 2001 shall be insured for \$8,000.

1.02 Survivor Income Benefit Insurance

This insurance consists of two parts, a transition survivor income benefit and a bridge survivor income benefit. The monthly amount of insurance for eligible employees and retirees shall be as follows:

Class of Survivor	Monthly Transition Benefit March 1, 2001
Class A with child(ren)	\$600
Class A without child(ren)	\$525
Class B without parents	\$600
Class B with one parent	\$525
Class C	\$525

Class of Survivor	Monthly Bridge Benefit March 1, 2001
Class A	\$525

(a) Transition Survivor Income Benefit

A transition survivor income benefit in the amount outlined above shall be provided for up to a maximum of 24 months.

- (i) Except that with respect to an employee not at work on or after March 1, 1992, or on or after March 1, 1993, the benefit in effect prior to these dates shall remain in effect.
- (ii) Such insurance shall also be provided for an employee who is retired under the hourly employee pension plan due to total and permanent disability but only until the employee would have attained age 65. No other retired employee shall be insured hereunder.

(iii) In the event of the death of an eligible insured employee or retiree from any cause, benefits shall be payable monthly commencing on the first day of the calendar month following the death of the insured. Benefits shall continue to be paid on the first day of each month thereafter until 24 such payments have been made, or if earlier, until there are no remaining eligible survivors.

(iv) With respect to the benefits outlined above in no event will the maximum amount payable on account of the death of any eligible employee or retiree exceed \$600 per month or \$14,400 in total.

(b) Classes of Eligible Survivors

The classes of eligible survivors and the order of qualifying for benefits are as follows:

Class A: The spouse, or common law spouse, of an employee or retiree but only if the spouse was legally married to the deceased for at least one year immediately prior to the insured's death;

Class B: Any child of an eligible deceased employee or retiree who at the time benefits first become payable, is both unmarried and (i) under 21 years of age, or (ii) at least 21, but under age 25 or (iii) totally and permanently disabled at any age over 21; provided, however, that a child under (ii) or (iii) above must have been legally residing with and dependent upon the deceased at the time of death. Class B survivors will cease to be eligible survivors on the date of their marriage, or, if not totally and permanently disabled, upon reaching their 25th birthday;

Class C: A parent of an eligible deceased employee or retiree for whom the deceased had, during the calendar year immediately preceding the insured's death, provided at least 50% of the parent's support and who is also eligible for CPP/QPP benefits.

(c) Sequence of Payments

Payments shall be made to the eligible survivors in the following order.

- (i) **Class A Eligible Survivor**
If a Class A eligible survivor dies or becomes ineligible prior to payment of the maximum number of benefit payments (24), the right to any remaining payments shall pass in equal shares to any surviving children who then qualify under Class B, or, if there are none, then in equal shares to any surviving parents who then qualify under Class C.
 - (ii) **Class B Eligible Survivors**
If, after having qualified under Class B, a child subsequently becomes ineligible any remaining payments shall be divided equally among any surviving children who continue to qualify under Class B. If no children continue to be eligible, any remaining payment shall be divided equally among any surviving parents who then qualify under Class C.
 - (iii) **Class C Eligible Survivors**
If two parents qualify under Class C and either parent dies, any remaining payments shall revert to the surviving parent.
 - (iv) **No Eligible Survivor**
If no eligible survivors qualify under any class on the first of the month following the death of the insured, no payments will be made hereunder. Once begun, payments will cease when there are no eligible survivors in any class.
- (d) **Bridge Survivor Income Benefits**
A bridge survivor income benefit in the amounts outlined above shall be provided after 24 monthly transition benefit payments have been made.
- (i) To be eligible for bridge benefits eligible Class A survivors must have been at least age 45 at the time of the death of the insured, or the sum of their age plus the insured's years of service must equal 50 or more.

- (ii) The bridge survivor income benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the transition survivor income benefit is paid.
- (iii) The Bridge Survivor Income Benefit will cease to be paid immediately upon the occurrence of:
 - (aa) The death or legal or common-law marriage of the Class A eligible survivor; or
 - (bb) Attainment by the Class A eligible survivor of age 65
 - (cc) Attainment by the Class A eligible survivor of an age lower than 65 at which full Survivor Benefits, or Old Age or Total and Permanent Disability Benefits become payable (other than on a "needs" basis) under any Federal or Provincial legislation, as now in effect or hereafter enacted or amended; or
 - (dd) The commencement of a period covered by a waiver in accordance with provisions of the insured employee's pension plan.
- (e) Cancellation and Conversion Provisions
Upon termination of employment other than by retirement, all survivor income benefit insurance will be cancelled and employees shall be entitled to have issued individual policies of life insurance

If an employee has dependents under any class, upon termination of employment the total amount of such individual life insurance policies shall be equal to the total amount of survivor income insurance that would have been paid had the employee died on the date of termination (or a lesser amount at the option of the employee).

Application for this conversion privilege must be made within

31 days after the last day of the calendar month in which the survivor income benefit insurance is cancelled. If the employee dies during such 31 day period, whether or not the employee shall have made application for an individual policy, the insurance company shall pay any survivor income benefit which would otherwise have been payable.

(f) Assignment/Waiver of Benefits

- (i) No survivor income benefit payable hereunder shall be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liabilities of any eligible survivor except as required by applicable law.
- (ii) A Class A eligible survivors may irrevocably waive any right to receive transition or bridge survivor income benefits in order to receive a greater survivor benefit under the insured employee's pension plan.
- (iii) In the event of the death of a Class A survivor, payments for the balance of any period for which the transition survivor income benefits would have been payable had they not been waived, will flow to the Class B or Class C eligible survivors in the same amount as if they had not been waived.

1.03 Group Life Insurance

The amount of Group Life Insurance to which an employee is entitled is shown in Article 1 .01 of this Section III.

ARTICLE 2 -ACCIDENTAL DEATH AND
DISMEMBERMENT INSURANCE

- 2.01 (a) Accidental Death and Dismemberment Insurance is provided only while the employee is insured for Life Insurance. If death results from injury caused accidentally and within 1 year of such injury, there will be paid to the beneficiary of the insured employee an additional amount equal to 100% of his Life Insurance.
- (b) An additional AD&D benefit equal to 50% of the basic

AD&D benefit in effect at the time of death will be provided in the event of a job related accidental fatality.

- (c) Benefits will be payable for accidental loss of vision or the loss of certain body members providing the loss occurs within two years from the date of the accident.

ARTICLE 3

PAYMENT OF GROUP LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT

- 3.01 The amount of Group Life Insurance is payable to the beneficiary named by the employee in the event of death from any cause while the employee is insured under the Plan for Life Insurance. In the event of accidental death, the Accidental Death and Dismemberment Insurance, if in force, is also payable to the beneficiary named by the employee.
- 3.02 The Company will provide immediate Life, Accidental Death, Dismemberment and Survivor Income Benefit Insurance for employees (who have not attained insurance eligibility) in the event of an on-the-job accidental fatality.

ARTICLE 4 - TOTAL AND DISABILITY BENEFIT

- 4.01 If an employee who is covered for Life Insurance becomes totally and permanently disabled prior to attaining age 65, his insurance will continue in force while so disabled but not beyond his normal retirement date, without any payment of premium. However, the Dependent Life Insurance will only be continued providing the employee makes the necessary contributions.

ARTICLE 5

5.01 Weekly Indemnity Benefits

Weekly Indemnity Benefits shall be payable during continuous total disability for a maximum of 52 weeks for any one period of disability, provided the employee is under the care of a doctor licensed to practice medicine. If disability is due to an accident, benefits start on the first day of such disability. If such disability is due to sickness, benefits start on the fourth day of such disability and first day for out patient surgery or upon earlier confinement in a hospital recognized under the Provincial Hospital Act. Benefits will be paid for disabilities related to pregnancy or childbirth for a period equal to the length of disability absence for which medical need is shown, but not to exceed a total of 52 weeks per disability, however no benefits will be paid during any normal pregnancy leave of absence period.

5.02 Benefits for More than One Absence

If an employee returns to work after receiving Weekly Indemnity Benefits for less than 52 weeks, and is again absent within 14 days for the same reason or some disability related to it there is no waiting period for the rest of the 52 week period, if the employee is disabled that long.

If the second absence results from a different kind of sickness or injury, or begins after he has been at work for at least 14 days, the first absence does not affect any possible future benefits.

5.03 Occupational Disabilities

Benefits payable for any period shall be reduced by any payment for time lost from work in that period to which the employee is entitled under any Workmen's Compensation Act or any comparable legislation.

5.04 Waiver

An employee may waive irrevocably any right he may have to receive Weekly indemnity benefits in order to receive a disability pension under the hourly employee's pension plan.

ARTICLE 6 - DEPENDENT GROUP LIFE INSURANCE

6.01 Eligibility Date

An employee as defined in Section II, Article I shall become eligible for Dependent Group Life Insurance on the later of (i) August 1, 1981, and (ii) the first day of the calendar month next following the month in which the employee acquires one year of seniority, as defined in Article 12 of the Master Agreement; provided that, in either case, the employee is then insured for the Life Insurance described in Article 1, Section III and has at least one eligible dependent as defined in Section III, below. If the employee is not then insured for such Life Insurance or does not then have such a dependent, he shall become eligible for Dependent Group Life Insurance on the first day of the calendar month following the date both these conditions are first met. The date that the employee becomes eligible for Dependent Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

6.02 Enrollment and Effective Dates

The employee's Dependent Group Life Insurance shall become effective as set forth below:

- (a) If the employee enrolls on or before his eligibility date, insurance becomes effective on the eligibility date.
- (b) If the employee enrolls during the 31 day period following his eligibility date, insurance becomes effective on the first day of the calendar month following the date of enrollment.
- (c) If the employee enrolls during the 31st day following his eligibility date, the employee must furnish evidence satisfactory to the insurance company of each dependent's good health. In such case, insurance will become effective on the first day of the calendar month following the date the insurance company approves the evidence, with respect to those persons whose evidence has been approved and who are still eligible dependents, as defined in Section III, below. In any event, for insurance to become effective, the employee must be

actively at work on the date insurance would otherwise become effective. If the employee is not actively at work on such date, insurance becomes effective on the date the employee returns to active work, provided he is then still eligible as set forth in Section I, above.

(d) Open annual enrollments for optional and dependent life will be held for start up March 1 of each year. Employees returning to work from an absence over 30 days will be allowed to enroll in the plan. Rates will be age based steps adjusted annually on experience.

6.03 Definition of Dependent

"Dependent" means (a) the employee's spouse and (b) any unmarried child over 14 days of age (i) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee, (ii) of the employee's spouse while such child is in the custody of and dependent upon the employee's spouse and is residing in and a member of the employee's household, (iii) as defined in (i) and (ii) who does not reside with the employee but is the employee's legal responsibility for the provision of health care, and (iv) who resides with and is related by blood or marriage to the employee, for whom the employee provides principal support as defined by the Canadian Income Tax Act, and who was reported as a dependent on the employee's most recent income tax return or who qualified in the current year for dependency tax status. A child as defined in (i), (ii), (iii) or (iv) is included until the end of the calendar year in which the child attains age 25, or regardless of age if totally and permanently disabled as defined hereinafter, provided that any such child after the end of the calendar year in which the child attains age 21 must be dependent upon the employee within the meaning of the Canadian Income Tax Act and must legally reside with, and be a member of the household of, the employee. "Totally and permanently disabled" means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or to be of long-continued or indefinite duration. "Spouse" means the person to whom the employee is legally married or, if there is no

such person, means a person of the opposite sex who has been cohabiting and residing with the employee for a continuous period of at least one year, and has been publicly represented by the employee as the employee's spouse.

No person may be considered a dependent of more than one employee. The definition of dependent used in this Appendix shall apply to the Dependent Group Life Insurance set forth therein and shall be entirely independent of any such definition used for the Health Care Benefits set forth in Article 1.

6.04 Amount of Insurance

The amount of Dependent Group Life Insurance applicable to each Dependent is as follows:

DEPENDENT	AMOUNT OF INSURANCE
SPOUSE	Up to \$40,000 in increments of \$5,000
CHILD/ (EACH)	Up to \$10,000 in increments of \$2,000
CHILDREN/	

6.05 Contribution

The employee shall contribute the full cost of dependent Group Life Insurance and contributions shall be payable monthly in advance. The required monthly contributions, regardless of the number of dependents on whose account the employee is insured, is as set forth in the following schedule, which is subject to change.

Employee Age of Employee	Optional Life Monthly Cost Per 10,000 of Coverage To a Maximum of \$150,000
Less than age 30	.58
30 to 34	.65
35 to 39	.79
40 to 44	1.23
45 to 49	2.10
50 to 54	3.47
55 to 59	5.41
60 to 64	8.45
65 and over	14.43

Spousal Age of Employee	Coverage Monthly Cost \$5,000 of Coverage
Less than 30	.25
30 to 34	.29
35 to 39	.39
40 to 44	.61
45 to 49	.98
50 to 54	1.55
55 to 59	2.44
60 to 64	3.64
65 and over	5.70

Child/Children Coverage	
PLAN	Monthly Cost per \$10,000 of Coverage
Flat Rate per Dependent Unit	\$1.00

When the employee attains a birthday which places him in a higher age bracket, the monthly contributions will change on the first day of the calendar month in which such birthdays occur.

6.06 Payment of Benefits

If a dependent dies from any cause while the employee is insured for Dependent Group Life Insurance, the amount of such insurance in force on account of the dependent shall be paid in a lump sum total control account, to the employee (the employee is the beneficiary for Dependent Group Life Insurance). The employee's insurance certificate shall set forth the procedure for payment of insurance in case a dependent dies subsequent to the death of the employee.

This insurance is term insurance without cash, loan or paid-up values.

6.07 Cessation of Insurance

Dependent Group Life Insurance shall automatically cease on the earliest of the following:

- (a) The date the employee ceases to have a dependent as defined in Section III, above.

- (b) The day the employee ceases to be insured for Life Insurance provided in accordance with Section III Article I.
- (c) If the employee fails to make a required contribution for Dependent Group Life when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- (d) The last day of the calendar month in which the employee attains age 70. If insured retires on or before age 65, Dependent Life and Spousal Optional Life will continue until attainment of employees' age 70.
- (e) The date of discontinuance of Dependent Group Life Insurance under the Plan as defined in Section II, Article 6 above.

The Dependent Group Life Insurance on account of any dependent shall automatically cease on the day immediately preceding the date such person ceases to be a Dependent as defined in Article 6.03 above.

6.08 Conversion Privilege

Upon written application made by a person to the insurance company within 31 days after the date of cessation of the Dependent Group Life Insurance on account of such person because of:

- (a) Cessation of the employee's Life Insurance provided in accordance with Section II, Article 6, unless such cessation was due to discontinuance of Dependent Group Life Insurance under the Plan as defined in Section II Article 6 or
- (b) such person's ceasing to be a dependent as defined in Section III, above, such person shall be entitled to have an individual policy of Life Insurance only, without Disability or Accidental Means Death Benefits, issued by the insurance company, without evidence of insurability. Such individual policy shall be upon one of

the forms then customarily issued by the insurance company and the premium for such individual policy shall be the premium applicable to the class of risk to which such person belongs and to the form and amount of the individual policy at such person's attained age at the date of issue of such individual policy. The amount of such individual policy shall be equal to (or at the option of such person less than) the amount of Dependent Group Life Insurance in force on account of such person on the date of cessation of such insurance.

Any individual policy of Life Insurance so issued shall become effective at the end of the 31 day period during which application for such individual policy may be made. If, however, the person who is entitled to the privilege of obtaining an individual policy of Life Insurance dies during such 31 day period, the insurance company shall pay to the employee, whether or not application for such individual policy shall have been made, the maximum amount of Life Insurance for which an individual policy could have been issued. The employee's insurance certificate shall set forth the procedure for payment of insurance in case such persons dies subsequent to the death of the employee.

SECTION IV - EXTENDED DISABILITY
BENEFIT INSURANCE
ARTICLE 1

1 .01 Effective Date and Amount of Insurance

- (a) Extended Disability Insurance shall be provided while an employee is insured for Weekly Indemnity Insurance but not beyond the first of the second month following the month in which the employee attains the age at which a benefit under the Old Age Security Act is first payable. The company will pay for the physician's cost to submit required proof of continued disability once the claim has been established. The employee will pay any fees the physician charges to establish the original claim.
- (b) The monthly amount of Extended Disability Insurance shall be 50% of the employee's base hourly rate at the

time of disability. The base hourly rate shall be as defined in Section II, Article 1, Paragraph X. of the S.U.B. Plan. For employees with 10 or more years of continuous service as of April 1, 1977 or later the 50% will be 55% of basic hourly rate providing the employee is actively at work on 4-1-77, If not actively at work on 4-1-77 the 55% Benefit will become effective for such eligible employee on his or her date of return to work.

1.02 Eligibility for Benefits

An employee who is insured for and exhausts Weekly Indemnity Benefits and who, at the time he exhausts Weekly Indemnity Benefits and during a continuous period of disability thereafter, is totally disabled so as to be unable to engage in any gainful occupation or employment for which he is reasonably qualified by education, training, or experience; is totally disabled so as to be unable to engage in any regular work for the Company at the place where he has seniority shall receive monthly Extended Disability Benefits for the period described in 3 below. For an employee who waives receipt of Weekly Indemnity Benefits, the time he would have otherwise exhausted such benefits shall be deemed the time he exhausts them for purposes of this benefit.

1.03 Amount of Benefit

The monthly Extended Disability Benefit is the applicable amount shown in Article 1 .01 reduced by an amount equal to the monthly equivalent of the total of the following benefits for which the person receiving Extended Disability Benefits is eligible for;

- (a) Lost time benefits under Workers Safety and Insurance Board laws or other laws providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, 100% loss of use, of a body member;
- (b) For permanent disability payments received on or after 12-1-80, EDB Benefits will not be reduced by Workers Safety and Insurance Board permanent disability pension payments when such payments are paid for a cause

unrelated to the one for which EDB is being paid; providing the combined EDB payment and Workers Safety and Insurance Board benefit payment does not exceed 75% of gross earnings at the start of disability.

(c) Disability or old age benefits to which the person is entitled (amount applicable to such person only) under any existing or future Provincial or Federal legislation which become payable, except old age benefits reduced because of the age at which received, or benefits payable on a "needs" basis:

(d) Benefits under any Provincial or Federal law providing benefits for working time lost because of disability.

1.04 In determining the amount by which Extended Disability benefits are reduced:

(a) The monthly equivalent of benefits paid on a weekly basis are computed by multiplying the weekly benefit rate by 4.33, and

(b) Lump-sum settlements under Workers Safety and Insurance Board laws result in reductions equal to the monthly equivalent of the Workers Safety and Insurance Board benefits to which the employee would have been entitled under the applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement. The amount of such settlement shall be allocated to days of disability for which compensation has not previously been paid, in chronological order until such amount has been fully allocated, at the rate of one-seventh of the weekly Workers Safety and Insurance Board benefit which would have been applicable if the claim had been allowed and if there had been no lump sum settlement.

1.05 Extended Disability Benefit computations presume eligibility for Statutory Disability Benefits. Amounts deducted from Extended Disability Benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction

in Extended Disability Benefits is made in amount equal to Statutory Disability Benefits (benefit of disabled contributor only) that would have been payable except for refusal to accept vocational rehabilitation services.

1.06 Benefits payable for less than a full calendar month are prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.

1.07 Extended Disability Benefits in the course of payment will not be reduced by increases in payments under Statutory Disability Benefits outlined in 1.05 above.

ARTICLE 2 - PROOF OF EARNINGS

2.01 The insurance company may require each applicant or recipient of Extended Disability Benefits to certify or furnish verification of the amounts of his income from sources listed in 1.03 above. The amount of any Extended Disability Benefit payments in excess of the amount that should have been paid, after reduction for such other benefits, may be deducted from future Extended Disability Benefits

ARTICLE 3 -COMMENCEMENT AND DURATION OF BENEFITS

3.01 Extended Disability Benefits to an eligible applicant shall be for the period commencing the day following the last day of disability included within the period of the maximum number of Weekly Indemnity Benefits, including weeks in which such Weekly Indemnity Benefits were partially or wholly offset because of receipt of Statutory or Workers Safety and Insurance Board Benefits.

3.02 The maximum period during which Extended Disability Benefits may be payable shall be the number of months by which the employee's full months of seniority at commencement of disability exceeds twelve months, but in no event beyond the date of death, the first of the second month following the month in which the employee attains

the age at which a benefit under the Old Age Security Act is first payable, or the time that he no longer satisfied the disability requirement.

3.03 For purposes of applying the maximum period for monthly Extended Disability Benefits, a month in which such benefits are partially or wholly offset by benefit payments from sources listed in Article 1.03 above, or suspended under Article 3.02 above, are counted as fractions of a month.

3.04 (a) Extended Disability benefits will be reinstated in the event benefits are discontinued but the employee does not return to work for the Company because of an aggravation of his original condition or because he suffers a new disability.

(b) The cumulative total number of months during any previous period of eligibility for Extended Disability Benefits, regardless of whether for the same or related disabling condition reduces the maximum number of monthly benefit payments for which the individual is otherwise eligible when Extended Disability Benefits again commence.

ARTICLE 4 - REHABILITATION

4.01 There is no ineligibility for Extended Disability Benefits because of work which is determined to be primarily for training under a recognized programme of vocational rehabilitation.

ARTICLE 5 - PROOF OF DISABILITY

5.01 The insurance company may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining his initial or continuing disability.

SECTION V-EXPENSE BENEFITS
ARTICLE 1 - HEALTH CARE BENEFITS

- 1.01** Effective March 1, 2001 Basic Ward level Hospital expense coverage shall be provided under the Ontario Health Insurance.
- 1.02** Effective March 1, 2001, Medical expense coverage shall be that provided under the Ontario Health Insurance Plan.
- 1.03** Effective March 1, 2001, Drug Expense Plan shall be provided. This plan provides reimbursement of the full cost of each prescription under the "3P" plan subject to a deductible of \$1.00 per prescription (\$0.35 deductible for retirees).
- 1.04** Effective March 1, 2001, Vision Care Plan coverage shall provide for the cost and maintenance of eyeglasses for employees and their dependents. See Appendix A for details of Vision Care Benefits.
- 1.05** Nursing Home Benefits - Effective March 1, 2001. This benefit will provide subscribers and eligible dependents coverage for nursing home care for the patient co-payment expense for each day the insured person is certified eligible to receive extended care benefits under the Health Insurance Act of Ontario. The insured person must reside in and receive daily care in an approved nursing home as defined in and licensed under the Nursing Homes Act of Ontario.

The payment for the patient co-payment expense in any such nursing home will then be the difference between the daily allowance paid the nursing home by the Ontario Ministry of Health for extended care services in a standard ward and the nursing home's daily charge up to the approved daily rate for a semi-private room if such accommodation is occupied.

If the insured person receives extended care in an approved facility in a private room, the payment for the patient co-payment will be at the semi-private daily rate.

Benefits will be payable only on submission of proof satisfactory to the insurance carrier that an eligible subscriber or dependent has received such extended care service and payment of an allowance for such care was made to the nursing home for the patient by the Ontario Ministry of Health for each day benefits are claimed.

DEFINITIONS

1. A nursing home is a nursing home licensed under the Nursing Home Act of Ontario.
2. Extended Care Benefits are benefits provided a resident of an approved nursing home who is insured under the Ontario Health Insurance Plan and who has been certified eligible to receive partial payment toward the cost of care while in a licensed nursing home. A person eligible for extended care benefits is issued a certificate of eligibility by the Ontario Ministry of Health.)
- 1.5 Effective March 1, 2001. This benefit will provide subscribers and eligible dependents coverage for nursing home care for the ward and semi-private patient co-payment expense for each day the insured person is certified eligible to receive Long Term Care benefits under the Health Insurance Act of Ontario. The insured person must reside in and receive daily care in an approved nursing home as defined in and licensed under the Nursing Homes Act of Ontario.

Only if the daily allowance is paid to the nursing home by the Ontario Ministry of Health for long term or chronic care services in a standard ward will the patient co-payment benefit be paid to the insured. The insured person must reside in and receive these benefits in an approved nursing home as defined in and licensed under the Nursing Homes Act of Ontario and must be approved to receive partial payment from the Ontario Ministry of Health or other such

entity to which the Ministry has given authority to approve long term care benefits toward the cost of care while in a licensed nursing home.

If the insured person receives long term or chronic care services in an approved facility in a private room, the payment for the patient co-payment will be at the semi-private daily rate.

Benefits will be payable only on submission of proof satisfactory to the insurance carrier that an eligible subscriber or dependent has received such long term or chronic care services and payment of an allowance for such care was made to the nursing home for the patient by the Ontario Ministry of Health or other such entity to which the Ministry has given authority for each day benefits are claimed.

Definitions

1. A "nursing home" is a nursing home licensed under the Nursing Home Act of Ontario or any subsequent acts legislated to license nursing homes.
2. Long Term Care benefits or Chronic Care benefits are benefits provided a resident of an approved nursing home who is insured under the Ontario Health Insurance Plan and is eligible and has been approved for Long Term Care by the Ministry of Health or other such entity to which the Ministry has given authority to assess eligibility and approve benefits.

Exclusions

1. Benefits will not be provided to persons eligible for or receiving same or similar benefits from any branch or any federal, provincial or municipal government or any other third party, regardless of whether the patient has or has not contributed toward providing himself or his dependent with such benefit.
2. Daily benefits will not be paid under this plan if the patient is absent from the nursing home. However, a covered individual receiving long term care or chronic care services

in a nursing home may continue to receive benefits for up to two (2) calendar days following admission to a public general hospital.

- 1.06 Effective March 1, 2001 Prosthetic Appliance and Durable Medical Equipment. See Appendix B for details of Prosthetic Appliances and Durable Medical Equipment Benefits.
- 1.07 Effective March 1, 2001 Hearing Aid Benefits. See Appendix C for details of this benefit and the Clarica Out of Province Emergency and Travel Assistance. See Appendix D for details of this benefit..
- 1.08 At the employee's option, provided such option is available under the rules and regulations of the applicable Plans, such coverage may include protection for (1) self only, (b) self and spouse, or (c) self and family. Family coverage shall include only spouse and eligible children.
- 1.09 Effective March 1, 2001 chiropractic services will be covered after the OHIP maximum is reached, up to \$30.00 per visit, 20 visits annually with a \$150.00 annual maximum for x-rays, (pro-rata first year, full maximum thereafter).
- 1.10 Effective March 1, 2001, add the Clarica Out of Province and Emergency Travel Assistance health care coverage for active employees. Retirees will retain the Clarica Out of Province and Emergency Travel Assistance Program.
- 1.11 Effective March 1, 2001, independent physiotherapist will be a covered benefit. Therapist must be certified.
- 1.12 Effective March 1, 2001, add coverage for viscosupplementation payable at 90% with an employee co-insurance of 10%.
- 1.13 Effective March 1, 2001, add coverage for Prostrate Blood Test (P.S.A.) with a limit of one per year, unless a physician orders a re-test, payable at 90% with an employee co-insurance of 10%.

ARTICLE 2 - ELIGIBILITY OF EMPLOYEES
AND COMMENCEMENT OF COVERAGE

- 2.01** (a) The conditions of eligibility and effective date of coverage under this Section V shall, to the extent practicable and to the extent permitted by the plans under which coverage is provided, be the same as those set forth in Article 8 of Section II.
- (b) The conditions of eligibility and effective date of coverage under the Plans shall be in accordance with the applicable laws and regulations issued hereunder.

SECTION VI - DENTAL CARE INSURANCE BENEFITS
ARTICLE 1 - DENTAL CARE INSURANCE BENEFIT

Programme

- 1 .01** Effective March 1, 2001, a dental care insurance benefit programme shall be provided with respect to eligible employees, retired employees and their eligible dependents providing for a full range of preventative, diagnostic treatment and restorative services. The programme will include cost, quality controls, establish fee limits and control unauthorized changes.

ARTICLE 2 - ELIGIBILITY OF EMPLOYEES AND
COMMENCEMENT OF COVERAGE

- 2.01** (a) The conditions of eligibility and effective date of coverage under this Section VI shall, to the extent practicable and to the extent permitted by the plans under which coverage is provided, be the same as those set forth in Article 8 of Section II.
- (b) The conditions of eligibility and effective date of coverage under the Plans shall be in accordance with the applicable laws and regulations issued thereunder.

ARTICLE 3 -AMOUNT OF BENEFIT

3.01 The insurance company will reimburse an eligible employee for expenses arising from covered dental services incurred with respect to such employee and/or eligible dependent as follows:

- (a) With respect to covered preventative and emergency services the employee shall be reimbursed for 100% of such covered dental expenses;
- (b) With respect to covered prosthetic and orthodontic services, the employee shall be reimbursed for 50% of such covered dental expenses.
- (c) With respect to all other covered services, the employee shall be reimbursed for 90% of such covered dental expenses.

ARTICLE 4 - MAXIMUM BENEFIT

4.01 Benefits payable under Article 3.01 (a), (b), (c) of this Section VI, shall be subject to a total annual maximum reimbursement of \$1,800 effective March 1, 2001 with respect to each individual eligible employee or eligible dependent in any given plan year of the insurance policy.

4.02 Notwithstanding Article 4.01 of this Section VI. the maximum reimbursement with respect to orthodontic expenses shall be \$1,600 during the lifetime of any one individual employee or dependent.

4.03 For the present Dental Plan:

- (a) Predetermination level to a maximum of \$300
- (b) Remove diagnostic and oral surgery procedures and preparation of diagnostic cast study models related to orthodontia from the orthodontic category so as to provide 90% Plan payments for such services and to exclude them from the lifetime orthodontic maximum. Effective March 1, 2001, recalls for cleaning, check-ups and x-rays are payable every nine months.

- (c) For persons age 20 or older fluoride treatment will be covered only when certain dental conditions (insensitive teeth) require such treatment.
- (d) In addition to current coverage, provided under the SPD. Provide *anesthetic* coverage in conjunction with oral surgery for procedures 92251, 92252, 96100. Effective March 1, 2001 add the additional covered codes 92310, 92311, 92330, and 02340 regardless of purpose, ODA Schedule to be updated annually.



March 1, 2001

Mr. Bob Jenner
National Representative
C.A.W.
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

This letter will confirm the following information provided the Union during the most recent negotiations.

1. The final authority for Clarica Plan Interpretation and implementation rests with the Employee Benefits and Labour Relations.

2. The definition of disability under the Weekly Indemnity programme will be broadened to cover absences resulting from elective surgery if such surgery is covered by OHIP.

3. The Company will pay any required physician charges made for examinations when requested by the Company.

4. Employees required to travel for a medical examination ordered by the insurer shall be reimbursed at the prevailing Company rate.

5. Employees cleared for return to work by their personal physician but who are not allowed to return to work by the plan physician may continue to receive weekly benefits subject to the maximum benefit duration.

6. The insurer will provide certificates of Insurance to each employee outlining the employees' rights and obligations under the insurance policy.

Yours truly,

Harold J. MacKinnon
Chief Spokesperson



March 1, 2001

Mr. Bob Jenner
National Representative
C.A.W.
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

The Company shall continue to arrange coverage to pay physicians, or to reimburse patients, for covered medical-surgical and hospital expenses incurred under certain circumstances outside the patient's province of residence.

Benefits will be provided under such coverage upon submission of proof satisfactory to the insurer that a member received covered services out of the province of his residence because of accidental injury or emergency medical-surgical services.

The benefit payment for covered medical-surgical expenses incurred will equal the fee charged for such services less the fee scheduled under the applicable provincial medical-surgical plan for the covered services received, but only to the extent that the fee charged is reasonable and customary in the area where covered services are received.

The benefit payment for covered hospital expenses incurred will equal the hospital's charge for covered services in semi-private accommodation less the sum of the payments made by the applicable provincial and supplementary hospital plan.

"Covered services" will be those medical-surgical services for which a fee is scheduled under the fee schedule of the applicable provincial medical-surgical plan and those hospital services for which a benefit is provided under the ward coverage of the applicable provincial hospital plan.

Yours truly,

Harold J. MacKinnon
Chief Spokesperson

APPENDIX A
VISION BENEFITS

- I. Enrollment Classifications
Vision Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined in Section II, Article 1 .01(d) of the Insurance Program.

- II. Description of Benefits
If while insured, you incur Vision Care expenses for yourself or a covered dependent, you will be paid benefits subject to the following provisions.

“Covered Vision Care Expenses” means expenses incurred for the purchase of lenses and frames on the written prescription of an ophthalmologist or optometrist.

The Reasonable and Customary charge for the following:

- A) 1) Lenses of a quality equal to the first quality lenses series manufactured by Imperial Optical, American Optical or Bausch and Lomb, including, when prescribed, equivalent plastic lenses or tints equal to Rose Tints No. 1 and No. 2, Photo Grey, or non glare tints. Transition Plus plastic lens is a covered expense. No prescription is necessary for Tints No. 1, No. 2, or Photo Grey. Lenses not more than 65 millimeters in diameter will be a Covered Vision Expense under the Plan. If lenses are of a quality or size that result in an additional charge, the additional charge will be your expense.

2) Contact Lenses

- B) Frames adequate to hold lenses which are a Covered Vision Care Expense up to \$75.00.

For lenses and frames provided pursuant to A) and B) above, the Provider shall charge the covered person \$7.50. If a covered person chooses lenses or frames

costing more than those provided pursuant to A) or B) above, or if he requests unusual services from the Provider, the covered person shall pay in addition the full additional charge of the Provider.

C) (1) Frequency: If a covered person has received lenses or frames for which benefits were payable under this Plan or the prior Plan, benefits will be payable for subsequent lenses or frames, only if received more than 24 months after receipt of the most recent previous lenses or frames, respectively, for which benefits were payable under this Plan or the prior Plan. Lenses and frames received under the Company's prescription safety glasses program for which no benefits were received under this Plan shall not be considered lenses and frames received under this Plan.

(2) Prescription Change Required:

If a covered person has received lenses or frames under this Plan and require new lenses because of a prescription change within the 24 month period in (A) above, then new lenses will be payable provided at least 12 months have elapsed since the last purchase of lenses.

(D) Exclusions

Covered Vision Expense does not include and no benefits are payable for: Sunglasses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section B (tinted lenses with a tint other than the equivalent of Rose Tints #1 or #2 or Photo Grey are considered to be sunglasses for the purpose of this exclusion):

Vision examinations;

Medical or surgical treatment;

Drugs or medicines;

Procedures determined by the Plan carrier to be special or unusual, such as, but not limited to orthoptics, vision

training, subnormal vision aids and aniseikonic lenses;

Lenses or frames furnished for any condition, disease, ailment or injury arising out of or in the course of employment:

Lenses or frames ordered;

(a) before the covered person became eligible for coverage or

(b) after termination of coverage;

Lenses or frames ordered while insured but delivered more than 60 days after coverage terminated;

Charges for lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Vision Benefit coverage;

Charges for lenses or frames for which are not necessary, accordingly to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;

Charges for lenses or frames which do not meet accepted standards of ophthalmic practice, including charges for any such lenses or frames which are experimental in nature.

Charges for lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared.

Charges for lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other government body;

Charges for any lenses or frames to the extent for which

benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof:

Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency and prescription change limitations set forth in Section C; and Charges for the completion of any insurance forms.

(E) Definitions

“Physician” means any licensed doctor of medicine legally qualified to practice medicine or who within the scope of his license performs vision testing examinations and prescribes lenses to improve visual acuity;

“Optometrist” means any person licensed to practice optometry in the province in which the service is rendered;

“Optician” means any person licensed in the province in which the service is rendered to supply eyeglasses prescribed by a physician or optometrist to improve visual acuity, to grind or mould the lenses or have them ground or moulded according to prescription, to fit them into frames and to adjust the frames to fit the face;

“Lenses” means ophthalmic corrective lenses, either glass or plastic, ground or moulded as prescribed by a physician or optometrist to be fitted into frames;

“Contact Lenses” means ophthalmic corrective lenses, either glass or plastic, ground or moulded as prescribed by a physician or optometrist to be fitted directly to the patient’s eyes; these are subject to limitations and exclusions applicable to lenses generally;

“Frames” means standard eyeglasses frames to which two lenses are fitted:

“Covered Person” means the eligible Employee, eligible Surviving Spouse and their eligible Dependents:

(F) Payment of Claim

All benefits provided under the Vision Care Expenses Insurance Plan shall be paid as they accrue upon receipt of written proof that the services were rendered to the Employee or one of his Dependents while the insurance described herein was in force on account of such Employee or Dependent.

Benefits under the Vision Care Expense Plan are payable to the Provider rendering the service with respect to which such benefits are payable, except as provided below:

If, at the time proof of claim is submitted, or prior thereto, the Insurance Company is notified that the following in whole or in part, for said services has been paid by you, benefits on account of such services shall be paid to you to the extent of your payment.

VII. Co-ordination of Benefits

Co-ordination of benefits will be administered under the same provisions applicable to other Health Care Benefits provided under the Insurance Program.

VIII. Subrogation

In the event of any payment for lenses or frames under this Plan, the Plan carrier shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

IX. Data

The Plan carrier annually shall furnish the Company and the Union such information and data as may be mutually agreed upon by the parties with respect to vision expense coverage.

X. Cost and Quality Controls

The Plan carrier will undertake the following review procedures and mechanisms:

(A) Utilization Review

Analysis of various reports displaying such data as procedure profiles, utilization profiles and Covered Vision Benefits payments summaries to:

- (1) evaluate the patterns of utilization, cost trends and quality of care; and
- (2) establish the percentage of Covered Vision Benefits payments that are paid to participating providers.

(B) Price Reviews

Where possible, price reviews or other audit techniques shall be conducted to examine records, invoices and laboratory facilities and materials and to verify that charges for covered persons are the same as for other patients. These examinations may include patient interviews and clinical evaluations of services and supplies received.

(C) Evaluation of Services and Supplies Received

On a random or selective basis, covered persons who have received lenses and frames under the Plan will be selected for subsequent evaluation and examination by consulting providers to ensure that the services and supplies reported were actually provided and were performed in accordance with accepted professional standards. Such evaluations may include the quality of lenses and frames, and other aspects of the services provided.

(D) Survey of Services and Supplies Received

On a random or selective basis, covered persons who have received lenses and frames under the Plan may be sent a questionnaire to:

- (1) determine the level of satisfaction with respect to these lenses and frames:

- (2) determine whether lenses and frames for which Vision Benefits were paid were actually received;
- (3) determine whether providers recommend unnecessary optional services or supplies; and
- (4) identify other problem areas.

(E) Claims Processing

The Plan carrier may conduct audits of claims being processed such as an analysis of patient histories and screening for duplicate payments in addition to the normal eligibility, benefit and charge verifications.

(F) Provider Review

When the Plan carrier or a covered pension does not agree with the appropriateness of a service provided or a charge made under the Plan by an optometrist practicing in Ontario, the matter may be presented to the licensing college under the Ontario Health Disciplines Act for resolution. Similar matters involving other providers or optometrist practicing outside Ontario may be referred by the Plan carrier to the appropriate licensing agency or, where, operative, to peer review. The Plan carrier will seek to establish peer review where it does not exist.

APPENDIX B
PROSTHETIC APPLIANCE AND DURABLE
MEDICAL EQUIPMENT BENEFITS

- I. Enrollment Classifications
Prosthetic Appliance and Durable Medical Equipment Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for dependents as they are defined in Article III, Section 1 (h) of the Insurance Program.
- II. Description of Benefits
Prosthetic Appliance and Durable Medical Equipment

Benefits will be payable, subject to the conditions herein, if any covered person, while prosthetic appliance and durable medical equipment expense coverage is in effect with respect to such covered person, incurs covered prosthetic appliance and durable medical equipment expense.

III. Definitions

As used herein:

- (A) "physician" means a legally qualified and licensed medical practitioner. Solely in connection with the prescribing of prosthetic lenses under Section IV(A)(2)(a), an optometrist who is legally licensed to practice optometry at the time and place services are performed shall be deemed to be a physician to the extent that he or she renders services he or she is legally qualified to perform;
- (B) "covered prosthetic appliance and durable medical equipment expense" means charges incurred for prosthetic appliances in accordance with Section IV(A) or for durable medical equipment in accordance with Section IV(B);
- (C) "prosthetic appliance" means an external prosthetic device or an orthotic appliance as described in IV(A);
- (D) "durable medical equipment" means an item of equipment as described in IV(B).
- (E) "provider" means a facility or dealer which supplies prosthetic appliances or durable medical equipment;
- (F) "usual, reasonable and customary" means the actual amount charged by a provider for a prosthetic appliance or for durable medical equipment, but only to the extent that the amount is reasonable and takes into consideration:
 - (1) the usual amount that the provider most frequently charges the majority of his patients or customers for the prosthetic appliance or durable medical equipment provided;

(2) the prevailing range of charges made in the same area by similar providers for the prosthetic appliance or durable medical equipment furnished; and

(3) with respect to prosthetic appliances only, unusual circumstances or complications requiring additional time, skill and experience in connection with a particular prosthetic appliance.

IV. Benefits

(A) Prosthetic Appliances

(1) When obtained from a provider by a covered person on the advice in writing of the attending physician, benefits will be payable on a usual, reasonable and customary charge basis for external prosthesis and orthotic appliances which replace all or part of a body organ (including contiguous tissue) or replace all or part of the functions of a permanently inoperative or a malfunctioning body organ. Benefits shall also be payable for the replacement, repairs, fittings, and adjustments of such devices. To be covered under this benefit, however, the advice in writing of the attending physician must include a description of the equipment as well as the reason for use or the diagnosis.

(2) Included in the external prosthesis and orthotic appliances for which benefits shall be payable are:

(a) Artificial arms, legs, eyes, ears, noses, larynxes, prosthetic lenses (for people lacking an organic lens or following cataract surgery); aniseikonic lenses; above or below knee or elbow prosthesis; external cardiac pacemakers; terminal devices, such as a hand or hook whether or not an artificial limb is required.

(b) Rigid or semi-rigid supporting devices (such as braces for the legs, arms, neck or back), splints, trusses; and appliances essential to the effective use of an artificial limb or corrective brace.

- (c) Ostomy sets and accessories, catheterization equipment, urinary sets, external breast prosthesis (including surgical brassieres) and orthopedic shoes (when used as an integral part of an orthotic appliance).
 - (d) Corrective shoes up to one pair per person not to exceed \$300.00 in a calendar year. When corrective shoes are used as an integral part of an orthotic appliance the \$300.00 calendar year maximum does not apply.
 - (e) Elastic stockings, up to two pairs per person in any calendar year.
 - (f) The Company will provide digital electronic pacemaker monitor, automatic blood pressure monitor, implanted urethral sphincter, Frieder prism SEG prosthetic lenses, and long term parenteral nutrition artificial gut system (including nutritional solutions).
- (3) Exclusions from this benefit IV(A) include, but are not limited to:
- (a) Dental appliances, hearing aids and, except as provided above, eyeglasses;
 - (b) Non-rigid appliances and supplies such as garter belts, supports, and corsets.
- (B) Durable Medical Equipment
- (1) When obtained from a provider by a covered person, benefits will be payable on a usual, reasonable and customary charge basis for the purchase or rental of durable medical equipment, subject to the following:
 - (a) The equipment must be:
 - (i) prescribed by a licensed physician;

- (ii) reasonable and necessary for the treatment of an illness or injury, or to improve the functioning of a malformed body member;
 - (iii) able to withstand repeated use;
 - (iv) primarily and customarily used to serve a medical purpose;
 - (v) generally not useful to a person in the absence of illness or injury; and
 - (vi) appropriate for use in the home.
- (b) The rental price of the durable medical equipment shall not exceed the purchase price. The decision to purchase or rent shall be based on the physician's estimate of the duration of need as established by the original prescription.
- (c) When the durable medical equipment is rented and the rental exceeds beyond the original prescription, the physician must recertify (via another prescription) that the equipment is reasonable and medically necessary for the treatment of the illness or injury. In the event the recertification is not submitted, benefits will cease as of the original duration of need date or (30) days after the date of death, if earlier.
- (d) When the durable medical equipment is purchased, benefits shall be payable for repairs except that routine periodic maintenance is excluded.
- (e) Included in the durable medical equipment for which benefits shall be payable are:
- (i) Hospital beds (with or without mattresses), rails, cradles and trapezes;
 - (ii) Crutches, canes, patient lifts, walkers and wheelchairs;

- (iii) Bedpans, commodes, urinals - if patient is bed confined;
 - (iv) Oxygen sets and respirators; (if the prescription is for oxygen, the physician must indicate how it is to be administered and what apparatus is to be used.)
 - (v) Decubitus (ulcer) care equipment, dialysis equipment, dry heat and ice application devices;
 - (vi) I.V. stands, intermittent pressure units, neuromuscular stimulants, sitz baths, traction equipment, vaporizers and standard whirlpool baths.
 - (vii) The Company will provide adjustable chairs, seat lifts, hardwood or fully upholstered.
 - (viii) Effective March 1, 2001, increase the allowance to \$700.00 for pressure injection devices for insulin in any five-year period.
- (f) Exclusions from this benefit IV(B) include, but are not limited to:
- (i) Deluxe equipment such as motor driven wheelchairs and beds, except when such deluxe features are necessary for the effective treatment of a patient's condition and required in order for the patient to operate himself;
 - (ii) items that are not primarily medical in nature or are for comfort and convenience (e.g. bed boards, overbed tables, adjust-a-bed, bathtub lifts, telephone arms, air conditioners, etc.);
 - (iii) Physicians' equipment (e.g. infusion pumps, sphygmomanometer, stethoscope, etc.);

- (iv) Disposable supplies (e.g. disposable sheaths and bags, elastic stockings, etc.);
- (v) Exercise and hygienic equipment (exercycle, Moore wheel, bidot toilet seats, bathtub seats, etc.);
- (vi) Self-help devices that are not primarily medical in nature (e.g. elevators, sauna baths, etc.);

V. Limitations on Coverages

Covered prosthetic appliance and durable medical equipment expense does not include and no benefits are payable for:

- (A) Prosthetic appliances or durable medical equipment furnished for any condition, disease, ailment or injury arising out of and in the course of employment.
- (B) Charges for prosthetic appliances or durable medical equipment for which no charge is made that the covered person is legally obligated to pay for which no charge would be made in the absence of Prosthetic Appliance and Durable Medical Equipment Benefits coverage;
- (C) Charges for prosthetic appliances or durable medical equipment (or items or special features related thereto) which are not necessary, according to accepted standards of medical practice, or which are not ordered or prescribed by the attending physician:
- (D) Charges for prosthetic appliances or durable medical equipment which do not meet professionally accepted standards, including charges for any such appliances or equipment which are experimental in nature;
- (E) Charges for prosthetic appliances or durable medical equipment received as a result of disease, defect or injury due to an act of war, declared or undeclared;

(F) Charges for prosthetic appliances or durable medical equipment from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal provincial, municipal or other governmental body;

(G) Charges for any prosthetic appliances or durable medical equipment to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof;

(H) Charges for the completion of any insurance forms.

VI. Co-ordination of Benefits

Co-ordination of benefits will be administered under the same provisions applicable to other Health Care Benefits provided under the Insurance Program.

VII. Subrogation

In the event of any payment for prosthetic appliances or durable medical equipment under this Plan, the Plan carrier shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

APPENDIX C
HEARING AID EXPENSE BENEFITS PROGRAM

I. Enrollment Classifications

Hearing Aid Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents.

II Description of Benefits

Hearing Aid Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in

Section III(I), while hearing aid expense coverage is in effect with respect to such covered person, incurs covered hearing aid expense.

III. Definitions

As used herein:

- (A) "physician" means an otologist or otolaryngologist who is board certified or eligible for certification in his specialty in compliance with standards established by his respective professional sanctioning body, who is a licensed doctor of medicine legally qualified to practice medicine and who, within the scope of his license, performs a medical examination of the ear and determines whether the patient has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid;
- (B) "audiologist" means any hospital-affiliated audiology clinic approved by the Ontario Health Insurance Plan, or an equivalent facility in a province other than Ontario. Such clinics shall conduct audiometric examinations and hearing aid evaluation tests for the purpose of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. The foregoing services shall be performed by a physician or if not a physician, by a person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, or (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association and (3) is qualified in the province in which the service is provided to conduct such examinations and tests. An audiology clinic that is not hospital affiliated may be designated an audiologist by the Program carrier, if the carrier determines that (1) such clinic has facilities which are equivalent to the hospital-affiliated clinics described above and (2) audiometric examinations and hearing aid evaluation tests conducted by such clinics are performed only by a physician or by a person described in the third sentence of this Section III(B);

- (C) "dealer" means any participating person or organization that sells hearing aids prescribed by an audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the province in which the hearing aids are sold;
- (D) "participating" means having a written agreement with the Program carrier pursuant to which services or supplies are provided under this Program;
- (E) "hearing aid" means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an ear mould, if necessary;
- (F) "ear mould" means a device of soft rubber, plastic or a nonallergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient;
- (G) "audiometric examination" means a procedure for measuring hearing acuity that includes tests relating to air conduction, bone conduction, speech reception threshold and speech discrimination;
- (H) "hearing aid evaluation test" means a series of subjective and objective tests by which an audiologist determines which make and model of hearing aid will best compensate for the covered person's loss of hearing acuity and which make and model will therefore be prescribed, and shall include one visit by the covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription;
- (I) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;
- (J) "dispensing fee" means a fee predetermined by the Program carrier to be paid to a dealer for dispensing hearing aids, including the cost of providing ear moulds, under this Program;

(K) "covered hearing aid expense" means the charges incurred for hearing aids of the following functional design: in-the-ear, behind-the-ear (including air conduction and bone conduction types) and on-the-body, but only if (i) the hearing aid is prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation test and (ii) the hearing aid provided by the dealer is the make and model prescribed by the audiologist and is certified as such by the audiologist:

In order for the charges for a hearing aid described in Section III(K) to be payable as Hearing Aid Expense Benefits under this Program, upon each occasion that a covered person receives such a hearing aid the covered person must first obtain a medical examination of the ear by a physician, and such examination or such examination in conjunction with the audiometric examination must result in a determination that a hearing aid would compensate for the loss of hearing acuity.

(L) "acquisition cost" means the actual cost to the dealer of the hearing aid.

IV. Benefits

The covered person may obtain hearing aids that the dealer shall have agreed to furnish covered persons in accordance with the following reimbursement arrangements:

(A) the acquisition cost of the hearing aid; and

(B) the dispensing fee. Effective March 1, 2001 add binaural hearing aids.

V. Limitations

Frequency: If a covered person has received a hearing aid for which benefits were payable under the Program, benefits will be payable for each subsequent hearing aid only if received more than 36 months after receipt of the most recent

previous hearing aid, for which benefits were payable under the Program.

VI. Exclusions

Covered hearing aid expense does not include and no benefits are payable for:

- (A) Medical examinations, audiometric examinations or hearing aid evaluation tests;
- (B) Medical or surgical treatment;
- (C) Drugs or other medication;
- (D) Hearing aids provided under any applicable worker's compensation law;
- (E) Hearing aids ordered;
 - (1) before the covered person became eligible for coverage; or
 - (2) after termination of coverage;
- (F) Hearing aids ordered while covered but delivered more than 60 days after termination of coverage;
- (G) Charges for hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of Hearing Aid Expense Benefits coverage;
- (H) Charges for hearing aids which are not necessary, according to professionally accepted standards of practice, or which are not recommended or approved by the physician;
- (I) Out of Province Expenses
Reasonable and customary charges for emergency Hospital or Medical Care Services required by you or an eligible Dependent outside of your province of residence and which are over and above the Provincial Medical Plan allowances of your province of residence

APPENDIX D
**CLARICA OUT OF PROVINCE EMERGENCY
AND TRAVEL ASSISTANCE BENEFIT**

- I. Clarica Out of Province Emergency and Travel Assistance Benefit - for active and retired employees
Clarica Out of Province Emergency and Travel Assistance Benefit intended to supplement the Provincial Government Health Plan and the Clarica Life Health Care Insurance Plan.

Through International World Access, Clarica will provide you and your dependents, while traveling outside Canada, with 24-hour-a-day access to a worldwide communications and healthcare network.

Access to worldwide assistance is made easy with an identification card that is proof of coverage and provides the cardholder, police, and medical personnel with emergency toll-free telephone numbers.

- II. Covered Services
Extended Health - Out-of-Province Emergency and Travel Assistance Benefit (Divisions 1, 6, 8, 12, 13, 56, 57, 58, 98, 99C and 100T) (cqtopv32) Q3-1
September 1, 2000 (73833)
Q3 cqtopv32
Extended Health - Out-of-Province Emergency and Travel Assistance Benefit

Definitions

Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease which cannot be delayed until the member or insured dependant returns to his province of residence.

Family member means a member or his insured dependant

Hospital means a legally licensed hospital which provides facilities for diagnosis, major surgery and the care and treatment of a person suffering from disease or injury, on an in-patient basis,

with 24 hour service by registered nurses and physicians. Reasonable and mean those which are usually made to a person without insurance for the customary charges items of expense listed under Eligible Expenses and which do not exceed the general level of charges in the area where the expense is incurred. To be insured for the Out-of-Province Emergency and Travel Assistance Benefit, a member and his insured dependant must have provincial health care coverage. Expenses for hospital/medical services and travel assistance benefits are eligible if

1. they are incurred as a result of emergency treatment of a disease or injury which occurs outside the member's or dependant's province of residence,
2. they are medically necessary, and
3. they are incurred due to an emergency which occurs during the first 180 days of travelling on vacation or business outside the member's or dependant's province of residence. The 180 day travel period starts on the first day of departure.

Eligible Expenses for Hospital/Medical Services

Eligible expenses mean reasonable and customary charges for the following items of expense, less the amount payable by a government plan:

1. public ward accommodation and auxiliary hospital services in a general hospital,
2. services of a physician,
3. economy air fare for the patient's return to his province of residence for medical treatment,
4. licensed ground ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation,
5. emergency air ambulance service to the nearest hospital

equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation, and if the patient requires a registered nurse during the flight, the services and return air fare for the registered nurse.

The maximum lifetime amount payable for the above Eligible Expenses is \$1,000,000 for the member and for each insured dependant.

Expenses that are included as Eligible Expenses under Drug, Vision, Hospital or Supplementary Health Care benefits are also eligible while the member is travelling outside Canada. These expenses are subject to the deductibles and reimbursement percentages listed under the appropriate benefit in the Summary of Insurance.

Extended Health - Out-of-Province Emergency and Travel Assistance Benefit

Eligible Expenses for Travel Assistance Benefits

Eligible expenses mean reasonable and customary charges for the following items of expense:

1. family assistance benefits, which include reimbursement for the cost of:
 - a. return transportation for insured dependent children who are under the age of 16, or who are handicapped, if they are left unattended because the member or the member's insured spouse is hospitalized outside his province of residence. If necessary, an escort will be provided to accompany the dependent children. The maximum payable for the return transportation is a one-way economy fare for each dependent child.
 - b. return transportation for family members, if the hospitalization of a family member prevents them from returning home on the originally scheduled, pre-paid transportation, and consequently requires them to purchase new return tickets. The extra cost of each return fare is payable to a maximum of a one-way economy fare, less any amount reimbursed for the unused, return tickets.

- c. visit of one relative (spouse, parent, child, brother or sister), if a family member is hospitalized for more than 7 days while travelling without a relative. This includes meals and accommodation up to a maximum of \$150 per day, and round-trip economy transportation, for one relative. These expenses are also covered when it is necessary for a relative to identify a deceased family member before the release of his body.
 - d. meals and accommodation up to a maximum of \$150 per day per family unit, if the member's or an insured dependant's trip is extended because a family member is hospitalized. The combined maximum amount payable for family assistance benefits is \$5,000 for one travel emergency.
2. return of a deceased family member. The necessary authorizations will be obtained and arrangements made for the return of the deceased to his province of residence. The maximum amount payable for the preparation and return of the deceased is \$5,000. Preparation of the deceased includes expenses for cremation at the place of death. Return of the deceased includes a basic shipping container, but excludes expenses for burial, such as burial caskets and urns.
 3. return of a vehicle. If a family member is unable to operate a vehicle (owned or rented) because he is being returned to Canada for medical treatment, we will reimburse the cost of returning this vehicle to his province of residence, or the nearest appropriate rental agency. This benefit is also payable in the event of a family member's death. The maximum amount payable for returning the vehicle is \$1,000.

Travel Assistance Services

We will provide a toll free number which gives the member and his insured dependants 24 hour access to a worldwide assistance network. For an emergency which occurs during the 180 day travel period, the network will provide the following emergency assistance services:

1. physician and hospital referrals,
2. on-going monitoring of medical treatment if a family member is hospitalized,
3. coordination of transportation arrangements via ground or

- air ambulance if it is medically necessary to return a family member to Canada or transfer him to another hospital that is equipped to provide the required treatment,
4. payment assistance for hospital/medical expenses,
 5. legal referrals,
 6. a telephone interpretation service,
 7. a message service for the member and his family, friends and business associates: messages will be held up to 15 days.

Extended Health - Out-of-Province Emergency and Travel Assistance

Emergency Payment Assistance

Eligible Hospital/Medical Expenses OVER \$200:

To ensure these expenses are guaranteed or paid, provincial health care coverage and coverage under the Extended Health Insurance Provision will be verified, whenever possible, for the hospital providing the medically necessary services. If we guarantee or arrange a payment for these expenses on behalf of the member or an insured dependant, the member must sign an authorization form allowing us to recover the balance of the guarantee or payment from the provincial health care plan. If we guarantee or arrange a payment for expenses that require a percentage paid by the member, or that are not covered under this plan or the provincial health care plan, the member must reimburse us for the excess amount of the guarantee or payment. If these expenses are not guaranteed or paid, we will reimburse the member when we receive proof of the claim.

These expenses should be paid by the member first, then submitted to the provincial health care plan for consideration, and finally submitted to us for any unpaid balances of the claim.

Exclusions and Limitations

No benefit is payable for

1. expenses incurred by the member or his insured dependant for an emergency which occurs more than 180 days after departure from his province of residence,
2. expenses for the regular treatment of an injury or disease which existed before the member's or dependant's departure from his province of residence,

3. expenses incurred on a non-emergency or referral basis,
4. expenses incurred under any of the conditions listed as an Exclusion in the Extended Health Insurance Provision, If your group plan provides coverage for retired employees, the retired employee and his insured dependants must return to his province of residence for at least 30 consecutive days before becoming eligible for another 180 days of coverage. Due to conditions such as war, political unrest, epidemics, and geographic inaccessibility, emergency assistance services may not be available in certain countries, Neither we nor the company providing the assistance services is responsible for the availability, quality or results of the medical treatment received by the member or an insured dependant, or for the failure to obtain medical treatment.



March 1, 2001

Mr. Bob Jenner
National Representative
C.A.W.
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

This will confirm our understanding with respect to prescription drug coverage for employees, retired employees, surviving spouses and their eligible dependents who are age 65 or older.

Prescription drug benefits for Canadian residents who are age 65 or older are available without cost to the individual under the various Provincial Drug Benefit Programs. It is understood that Canadian residents age 65 or older who are eligible for prescription drug coverage under the Insurance Program shall be required, commencing March 15, 1983, to present their prescriptions for dispensing under the various Provincial Drug Benefits Programs. Benefits shall continue to be provided for covered prescription drug expenses under the Insurance Program to the extent that benefit coverage for such expenses is not available under the various Provincial Drug Benefit Programs.

Yours truly,

Harold J. MacKinnon
Chief Spokesperson



March 1, 2001

Mr. Bob Jenner
National Representative
C.A.W.
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

Pursuant to the 1989 Canadian Auto Workers and Suspension Systems Business Agreement, eligible employees shall be covered for S&A benefits if certified disabled and under the care of a licensed chiropractor. Benefits will be payable up to a maximum of 21 days, and to qualify for benefits beyond 21 days the employee must be seen, treated, and certified disabled by a licensed physician.

Yours truly,

Harold J. MacKinnon
Chief Spokesperson



March 1, 2001

Mr. Bob Jenner
National Representative
C.A.W.
200 Riverview Drive
Chatham, Ontario N7M 5Z8

Dear Mr. Jenner:

During the 1995 negotiations it is agreed the Company will grant with pay two (2) days spousal leave for birth or legal adoption.

Yours truly

Harold J. MacKinnon
Chief Spokesperson

**Meritor Suspension
Systems Company**

**Agreement
& Pension Plan
for Hourly Employees**

C.A.W.

**Locals No. 127 (Chatham, Ont.),
No. 1067 (Milton, Ont.) and
No. 35 (Chatham, Ont.)**

PENSION PLAN AGREEMENT

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Agreement made this 1st day of March 2001 by and between Meritor Suspension Systems Company (hereinafter referred to as the "Company") and the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (C.A.W.) and its Locals No. 127, No. 1067 and No. 35 (hereinafter collectively referred to as the "Union").

WHEREAS the Company and the Union have agreed that the Agreement and Pension Plan established July 1, 1956, as heretofore amended, shall be further amended so that effective March 1, 2001, the Pension Plan Agreement and the Pension Plan shall read as hereinafter set forth with respect to Employees retiring on and after March 1, 2001, and to all Employees in active service on and after March 1, 2001 who are accruing benefits hereunder, provided that acceptance for registration of the said Agreement and Plan so amended is obtained from Revenue Canada, Taxation, the Pension Commission of Ontario, and such other authorities as may be necessary in order that the contributions made thereunder by the Company are deductible for income tax purposes. Former Employees whose employment terminated prior to March 1, 2001 shall have their benefits determined and paid under the terms and conditions of the Plan in effect at their date of termination of employment. Pensioners in receipt of pension payments unless otherwise stated in this Agreement on February 28, 2001 shall have their benefits determined and paid under the terms and conditions of the Plan in effect at date of retirement.

Notwithstanding anything to the contrary under the provisions of this amended and restated Plan, the Plan terms are subject to acceptance by Revenue Canada, Taxation for continued registration under the Income Tax Act and Regulations thereunder. In the event that any revision in the Plan is necessary to obtain and maintain such registration, such revision shall be a matter for further negotiation between the Company and the Union. In negotiating any such revision the parties shall adhere as closely as possible to the intent of the parties as expressed in this Agreement and in the Plan. Any authorized officer of the Company may subsequently amend the provisions of the amended and restated Plan retroactively or prospectively to reflect the agreed upon change to the extent necessary to avoid the revocation of the registration of the Plan by the Minister of National Revenue.

Signing Authority

This Agreement shall be construed according to the laws of the Province of Ontario.

Executed this 23rd day of November 2000

C.A.W. NATIONAL UNION **MERITOR SUSPENSION
SYSTEMS COMPANY,
AN ONTARIO, CANADA
GENERAL PARTNERSHIP**

FOR THE UNION:

Robert Jenner
Gord Allen
Charlie Formosa
Sym Gill
Brad Gillis
Gord Adams
Stan Karnas
Bob Tope
Jerry Kenney
Mark Woodrow

FOR THE COMPANY:

Gary Strickland
Chuck Weisbaum
John Gates
Harold MacKinnon
Chris Johnston
Peter Brennan
Jim Hall
John Gooch
Gino Negri

The parties hereto agree as follows:

Article 1 - Establishment of Pension Plan

- 1.01 Subject to the approval of the Board of Directors of the Company, the Company shall establish and maintain the Pension Plan for the duration of the Agreement.
- 1.02 Upon receipt by the Company of the ruling hereinabove referred to (General), the Company will notify the Union thereof in writing and this Agreement shall thereupon become effective. The Company and the Union agree to make any modifications, alterations or amendments to this Agreement and the Plan attached hereto necessary to obtain and retain such ruling.
- 1.03 This Agreement shall expire March 14, 2004. The Company agrees that prior to that date it will not amend the Plan, except to such extent as may be required by the appropriate authorities in connection with the ruling referred to above, or terminate the Plan. It is further provided that the Plan may be modified by the Company, subject to the approval of the Union.

The matters of modifying, terminating or extending this Agreement as of March 14, 2001 shall be subject to negotiations between the parties at such time in the year 2004 as economic matters are open for negotiations under the terms and provisions of the then existing Collective Bargaining Agreement between the parties.

Article 2 - Annual Trust Fund Report

- 2.01 The Company will furnish the Union, as of July 1st of each year during the term of this Agreement, with a statement certified by a qualified actuary selected by the Company that the amount of the Trust Fund, when the assets are valued at not less than cost, is not less than is required to maintain the exempt status of the Trust under the income tax law and the Regulations of Revenue Canada, Taxation during such term.

2.02 The Company will also furnish the Union with the annual actuarial valuation of the Plan to include a statement of total receipts and total disbursements of the Pension Trust.

Article 3 - Relation of Plan and this Agreement

3.01 In the event of any conflict or inconsistency between the provisions of the Plan and the provisions of this Agreement, the provisions of this Agreement shall control to the extent necessary to eliminate such conflict or inconsistency.

3.02 Notwithstanding anything to the contrary herein or elsewhere contained or implied, the Plan and this Agreement together constitute the entire agreement and understanding of the parties with respect to the provision of pensions during the term of this Agreement.

Article 4 - Medical Coverage for Retired Employees

4.01 A Pensioner shall have continuing coverage in O.H.I.P. and the Green Shield Drug Plan as provided in Section II, Article 6.02 of the Agreement for an Insurance Programme and shall have continuing coverage in the Dental Care Insurance Benefit Programme as provided in Section VI of the said Agreement. Required premiums will be paid by the Company.

Article 5 - Payment to Pensioners
and Eligible Surviving Spouses

5.01 Each Pensioner and each eligible surviving Spouse of a deceased Pensioner whose pension payments commenced prior to February 28, 2001, and who continues to receive a monthly pension benefit on February 28, 2001, and each surviving eligible Spouse of a Pensioner who died during the term of this Agreement, shall receive lump sum payments on the dates and in the amounts specified in the table below, but only for the period subsequent to the commencement of

the pension benefit. Such payments shall be made from general funds of the Company.

<u>Recipient</u>	Dec.1/01	Dec.1/02	Dec.1/03
Pensioner (after to 1986)	\$400	\$400	\$400
Pensioner (prior to 1986)	\$500	\$500	\$500
Surviving Spouse (after 1986)	\$250	\$250	\$250
Surviving Spouse (prior to 1986)	\$300	\$300	\$300

Employees who are eligible to retire in accordance with Section 3.06 of the Plan who are in receipt of extended disability benefits (EDB), and who do not accrue further Credited Service under the Plan shall be provided with the same lump sum payments payable to Pensioners and surviving Spouses as specified above.

Article 6 - Pensioner Cheques

- 6.01** Upon request, and subject to proper authorization forms being completed, a Pensioner may have his pension cheque deposited in his bank account, or his account at a recognized credit union.

Article 7 -Deduction of Union Dues

- 7.01** Notwithstanding any other provisions of the Plan, any Pensioner or retired Former Employee receiving a pension may, pursuant to the Pensioner's or retired Former Employee's written authorization and direction acceptable to the Company, authorize the deduction of monthly Union dues from any monthly pension otherwise payable to him and direct that such dues be remitted to the Union.

7.02 An authorization to deduct said monthly Union dues shall become effective as of the first of the second month following the month in which the Company receives such authorization from the Pensioner or retired Former Employee, and shall remain in full force and effect until revoked by the Pensioner's or retired Former Employee's written notice given to the Company, except that during any period when there is not in effect a written collective bargaining agreement or supplement thereto between the Company and the Union which permits or provides for the deduction of Union dues from monthly pension benefits payable to a Pensioner or retired Former Employee, such assignment, authorization and direction, if otherwise in effect, shall automatically be suspended for the duration of such period only.

7.03 The Union shall indemnify and hold harmless the Company against any and all liability, including reasonable attorney's fees, that may arise by reason of the Company's compliance with this Article 7.

Article 8 - Memorandum of Agreement

According to Article 6.02(a)(ii) of the Agreement and Pension Plan of Meritor Suspension Systems Company an employee who retires before normal retirement date is entitled to a supplementary pension of \$18.00 a month for each year of credited service to a maximum of 30 years and payable from retirement date until such date that statutory benefits become payable. During the terms of this Agreement we will interpret statutory benefit date to be the date the employee attains age 65.

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Amending Certificate

in connection with
the Pension Plan
for Hourly Employees
of
Meritor Suspension
Systems Company

C.A.W.

Locals No. **127** (Chatham,
Ontario),
No. **1067** (Milton, Ontario)
and No. **35** (Chatham, Ontario)

WHEREAS the Company established the above-named Pension Plan effective July 1, 1956;

AND WHEREAS effective October 1, 1997 the Company became known as Meritor Suspension Systems Company, an Ontario, Canada General Partnership; the Union became known as the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, C.A.W. and its Locals No. 127, No. 1067 and No. 35; and the name of the Pension Plan became known as the Pension Plan for Hourly Employees of Rockwell International Suspension Systems Company - C.A.W. Locals No. 127 (Chatham, Ontario), No. 1067 (Milton, Ontario) and No. 35 (Chatham, Ontario);

AND WHEREAS effective March 1, 2001 the Pension Plan shall be amended and restated to reflect various benefit improvements due to contract negotiations and to reflect changes for compliance with Provincial authorities and the Income Tax Act and Regulations made thereunder effective January 1, 1992.

NOW, THEREFORE, IT IS RESOLVED THAT effective March 1, 2001 the Pension Plan is hereby amended and restated effective March 1, 2001 pursuant to the Pension Agreement between the Company and the Union entered into effective March 1, 2001 and executed on 23rd of November 2000

AMENDING CERTIFICATE dates March 1st, 2001.

C.A.W. NATIONAL UNION	MERITOR SUSPENSION SYSTEMS COMPANY, AN ONTARIO, CANADA GENERAL PARTNERSHIP
-----------------------	---

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PENSION PLAN PROVISIONS

Article 1 - Definitions

- 1.01 The following words and phrases as used herein have the following meanings, unless a different meaning is specified or plainly required by the context:
- (a) "Actuarial Equivalent" means the amount calculated on the basis of tables adopted by the Company when computed on the basis of mortality and interest assumptions last adopted for this purpose by the Company and subject to the Income Tax Act (Canada) and Regulations thereof.
 - (b) "Actuary" means an independent actuary who is a Fellow of the Canadian Institute of Actuaries, or a firm of independent actuaries at least one of whose members is so qualified.
 - (c) "Beneficiary" means the person or persons named by an Employee as his Beneficiary, co-Beneficiary or contingent Beneficiary in accordance with Articles 9.03 and 9.04.
 - (d) "Commutated Value" means the actuarial present value of the pension benefit or other benefit to which an Employee, or his Spouse or Beneficiary, if applicable, is or will become entitled and which shall be determined on a basis as determined by the Company which conforms to the requirements of the Pension Benefits Act, the Income Tax Act (Canada) and the Regulations of Revenue Canada, Taxation as amended from time to time.
 - (e) "Company" means Meritor Suspension Systems Company and its successors and assigns, whether by amalgamation, transfer or otherwise.
 - (f) "Continuous Service" means continuous employment by the Company (including its predecessors in business) as determined in accordance with Article 2 hereof. The Continuous Service of an Employee shall be deemed to have commenced on the date of his first such employment or in the event of a break in his employment as hereinafter provided, on the date of his reemployment thereafter, and shall terminate upon retirement or death, or on the date of a break in his employment, whichever shall first occur.

The Continuous Service of an Employee shall be deemed to have been broken:

- (i) by a quit, discharge or failure to return to work upon recall, or
- (ii) by a layoff, absence for sickness, or leave of absence, of such duration as would have caused a break in seniority under the terms of the collective bargaining agreement with the Company applicable to such Employee and then in effect or in the absence of such an agreement, of a duration of more than one year, or
- (iii) by the termination of the Plan

The Continuous Service of an Employee shall not, however, be broken by his retirement on account of Total and Permanent Disability pursuant to Article 3.06 hereof if such Employee is re-employed by the Company immediately upon his recovery from such Total and Permanent Disability, but the period of such retirement shall be included in computing the length of Continuous Service of such Employee. The period of any absence of any Employee which does not constitute a break in employment shall be included in computing the Continuous Service of such Employee for purposes of this Plan.

- (g) "Credited Service" means Continuous Service as credited pursuant to Article 2.
- (h) "Effective Date of the Plan" with respect to any bargaining unit of Employees for which a Pension Plan Agreement has been executed means the effective date of the Plan as specified in such Agreement and, with respect to any group of Employees not represented by a Union to whom the benefits of the Plan have been made available by the Company, said term means the effective date of the Plan as designated by the Company with respect to such group.

- (i) "Employee" means any person who is regularly employed by the Company and who is in a bargaining unit for which a Pension Plan Agreement has been executed, or who is a member of a group of persons to whom the benefits of the Plan have been made available by the Company, who are not in a bargaining unit, and shall include any such person employed on a temporary, casual or part-time basis. A person shall be deemed to be regularly employed by the Company if such person is on the payroll of the Company or is off the payroll during an absence which does not constitute a break in employment as provided in Paragraph (f) of this Article 1 .01
- (j) "Former Employee" means an Employee who terminated employment pursuant to Articles 4.01, 4.02 and 4.03 and is entitled to a vested deferred pension from the Plan.
- (k) "Joint Committee" means the appropriate Committee established in accordance with Article 10.01 of the Plan.
- (l) "Pensioner" means an Employee (excluding a Former Employee) who has retired from employment by the Company and is entitled to receive a pension pursuant to the Plan.
- (m) "Pension Benefits Act" means the Pension Benefits Act, R.S.O. 1990 and the Regulation thereunder, as amended from time to time.
- (n) "Pension Adjustment" means a pension adjustment as determined pursuant to Section 8301(6) of the Income Tax Regulations.
- (o) "Pension Plan Agreement" means an agreement between the Company and the Union providing for the application of the Plan to the Employees represented by such Union.
- (p) "Plan" means this Pension Plan for Hourly Employees of Meritor Suspension Systems Company - C.A.W. Locals No. 127 (Chatham, Ontario), No. 1067 (Milton, Ontario) and No. 35 (Chatham, Ontario), as set forth herein and as hereinafter amended or modified from time to time.
- (q) "Pension Trust" means the trust fund established in accordance with Article 11 of the Plan.

- (r) "Spouse" means a person of the opposite sex to whom the Employee is, and has been for at least one year, legally married: if there is no such Spouse, means a person of the opposite sex who is, and who has been, for an immediately preceding continuous period of at least 1 year, co-habiting and residing with the Employee and publicly represented by the Employee as his Spouse, or is a relationship of some permanence if the Employee and such person are the natural or adoptive parents, as defined in the Family Law Act, 1986 (Ontario) of a child.
- (s) "Statutory Benefit" means any total and permanent disability benefit which an Employee or Pensioner is entitled to receive, other than on a "needs" basis, under legislation enacted by either the Federal Government or a Provincial Government, together with the benefit from the Canada Pension Plan, provided, however, that where a determination is required to be made in respect of retirements occurring after August 31, 1974, "Statutory Benefits" shall exclude any benefit under the provisions of the Old Age Security Act. For purposes of this Plan, the amount of such Statutory Benefits shall be the amount that such person is eligible to receive even though he does not receive it due to an act or failure to act by him; provided, however, that increases in the amount of such Statutory Benefits after a Pensioner commences receiving such benefits will not be used to reduce pensions otherwise payable.
- (t) "Total and Permanent Disability" means a disability suffered pursuant to Article 3.06.
- (u) "Statutory Benefit Age" shall mean the age at which any benefit (other than a benefit reduced by reason of the recipient's age) becomes payable under the provisions of the Canada Pension Plan.

The masculine pronoun wherever used herein shall include the feminine pronoun, and the singular shall include the plural, unless a different meaning is plainly required by the context.

Article 2 • Crediting of Continuous Service

2.01 Credit for Service Prior to July 1, 1956

With respect to service prior to July 1, 1956, crediting of service will be determined on the basis of the number of years and 10ths of years of the Employee's seniority on July 1, 1956, plus credit for any period or periods of active employment with the Company preceding his seniority date, including any service prior to a break in active employment and any service prior to attainment of seniority.

2.02 Credit for Service After July 1, 1956

With respect to service after July 1, 1956, crediting of service will be determined on the basis of one year of Credited Service for 1,700 or more hours of compensation in the calendar year, including paid holiday and vacation hours. Each hour in any year shall count only once although the Employee may receive more than straight time pay for it. Not *more* than one year of credit shall be given for the year 1956.

2.03 Fractions of a Year

Credited Service shall include fractions of a year, calculated to the nearest 1/10th of a year.

2.04 Credit for Weekly indemnity or Layoff

With respect to service after December 31, 1970, Employees who have at least 170 or more hours of compensation in a calendar year and are subsequently on weekly indemnity or layoff shall be given credit for service at the rate of 40 hours for each calendar week while on weekly indemnity or layoff in such calendar year, up to a maximum of 1,530 bank hours for weeks while on weekly indemnity or layoff in such year. In addition, if such Employee, has not returned to work, remains on weekly indemnity or layoff immediately after such year and has not used the maximum of 1,530 bank hours from the first year of weekly indemnity or layoff, he shall be given credit for the immediately following year equal to the balance of unused bank hours from the first year. Credit shall be granted at the rate of 40 hours for each calendar week while on weekly indemnity or layoff.

With respect to service after December 1, 1980, Employees who return to work (for less than 170 hours), followed by an absence due to a layoff or weekly indemnity and have not used the maximum of 1,530 bank hours from the first year of weekly indemnity or layoff, shall be given credit for the immediately following year equal to the balance of unused bank hours from the previous year. Credit shall be granted at the rate of 40 hours for each calendar week while on weekly indemnity or layoff.

With respect to service after September 1, 1981, Employees who are laid-off on the first regularly scheduled work day in January will be deemed to have been laid-off on December 31st of the previous year.

2.05 Credit for Leaves of Absence

Employees on leaves of absence for the following reasons shall be given Credited Service at the rate of 40 hours per week for such leave of absence to a maximum of 1,700 hours per calendar year:

- (a) Local Union business not in excess of 5 years of Credited Service in total.
- (b) National Union business pursuant to Article 24.05 of the Master Agreement between the Company and the Union.
- (c) Sick leave due to disability where an Employee suffers from a physical or mental impairment, as certified by a medical doctor licensed to practice under the laws of a province of Canada or of the place where the Employee resides, that prevents the individual from performing the duties of the employment in which the Employee was engaged before the commencement of the impairment while drawing benefits provided under the Workers' Compensation Act.
- (d) Active military service in time of war.

2.06 Minimum Credit for Certain Employees in Service on March 16, 1974

Employees who were in the employ of the Company on March 16, 1974 and who retire at or after age 65 with more than 5 but less than 10 years of Credited Service will receive a pension benefit determined in accordance with Article 6.01 of the Pension Plan Agreement as amended to March 16, 1974 based upon 10 years of Credited Service.

2.07 Reinstatement of Service Credits

Employees who lose their seniority under the terms of the Collective Bargaining Agreement between the Union and the Company on or after July 1, 1956, and are subsequently rehired and become Employees as defined in Article 1 .01(i) hereof shall have their previous Credited Service reinstated including service prior to July 1, 1956, if any, for the purpose of this Plan provided they have seniority status on or after March 16, 1974. However, an Employee who has seniority status on or after March 16, 1980 and who lost his seniority under the terms of the Collective Bargaining Agreement between the Union and the Company before July 1, 1956 shall have his period or periods of active employment with the Company before July 1, 1956 credited for the purpose of this Plan, provided such service has not previously been credited.

2.08 Re-Determination of Service Credits for Certain Employees on March 16, 1974

Employees on March 16, 1974 who did not receive a full year of Credited Service in each of the calendar years 1956 through 1962 as a result of a layoff by the Company in such period, shall have their Credited Service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

<u>Hours Credited for Seniority on March 16, 1974`</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.09 Re-Determination of Service Credits for Certain Employees on December 1, 1980

Employees on December 1, 1980 who did not receive a full year of Credited Service in each of the calendar years 1963 through 1971 as a result of a layoff by the Company in such period, shall have their service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

Hours Credited for <u>Seniority on December 1, 1980</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.10 Re-Determination of Service Credits for Certain Employees on March 1, 1986

Employees on March 1, 1986 who did not receive a full year of Credited Service in each of the calendar years 1972 through 1985 as a result of a layoff by the Company in such period, shall have their Credited Service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

Hours Credited for <u>Seniority on March 1, 1986</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.11 Re-Determination of Service Credits for Certain Employees on March 1, 1989

Employees on March 1, 1989 who did not receive a full year of Credited Service in each of the calendar years 1986 through 1988 as a result of a layoff by the Company in such period, shall have their Credited Service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

Hours Credited for <u>Seniority on March 1, 1989</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.12 Re-Determination of Service Credits for Certain Employees on March 1, 1992

Employees on March 1, 1992 who did not receive a full year of Credited Service in each of the calendar years 1989 through 1991 as a result of a layoff by the Company in such period, shall have their Credited Service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

Hours Credited for <u>Seniority on March 1, 1992</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.13 Credits for Pregnancy Leave for Certain Employees on December 1, 1980

Employees on December 1, 1980 who were absent from work on approved recorded pregnancy leave prior to January 1, 1971 shall have their service re-determined by .3 years of Credited Service for each such absence. This service is to be credited only upon proper application submitted to the Company by the Employee.

2.14 Credit Service for Pregnancy and Parental Leave On and After December 20, 1990

Employees on and after December 20, 1990, who were absent from work on approved recorded pregnancy or parental leave effective December 20, 1990, shall accrue Credited Service up to a maximum of 35 weeks, as provided under the Employment Standards Act of Ontario. Such leave shall not exceed 36 months in total for a maximum of three

periods of 52 weeks of pregnancy or parental leave, commencing not earlier than the date of birth or the adoption of the child. This service is to be credited only upon proper application submitted to the Company by the Employee.

2.15 Re-Determination of Service Credits for Certain Employees on March 1, 2001

Employees on March 1, 2001 who did not receive a full year of Credited Service in each of the calendar years 1998 through 2000 as a result of a layoff by the Company in such period, shall have their Credited Service re-determined in each of such years by adding to the hours now recorded the hours determined from the following schedule:

<u>Hours Credited for</u> <u>Seniority on March 1, 2001</u>	<u>Each Week of Layoff</u>
20 years and over	40 hours
15 years but less than 20 years	30 hours
10 years but less than 15 years	20 hours
5 years but less than 10 years	10 hours
Under 5 years	-0-

2.16 Overall Credit for Leaves of Absence

Notwithstanding the provisions under this Section 2, credit for leaves of absence due to lay-off, shall not exceed 5 years of Credited Service in total.

Article 3 - Retirement of Employees and Eligibility for Pensions

3.01 Normal Retirement

Each Employee must retire from the service of the Company on his normal retirement date which shall be the last day of the calendar month in which he attains age 65.

3.02 Early (Employee Option)

Any Employee who during the period commencing March 1, 2001 and ending February 28, 2002 has met the conditions pursuant to (a) and (b) below, may elect to retire from the service of the Company before his normal retirement date, and each Employee who elects so to do and who on the date of such early retirement has either:

- (a) completed at least 10 years of Credited Service and attained age 60, or
- (b) has attained at least age 55, and whose combined years of age and years of Credited Service (to the nearest 1/10th in each case) shall total 85 or more, provided the Employee has not completed 30 years of Credited Service, shall be eligible, commencing the first day of the calendar month next succeeding the calendar month in which he retires, to receive a pension as provided in the Plan. Such election must be made by the Employee during the period March 1, 2001 to March 31, 2001.

3.03 Early (Company Consent Option)

Any Employee who, during the period commencing March 1, 2001 and ending February 28, 2002, has met the conditions pursuant to (a) or (b) below, may, with the consent of the Company, elect to retire from the service of the Company before his normal retirement date. Each Employee who elects to do so and who on the date of such early retirement, has either:

- (a) completed 30 or more years of Credited Service; or
- (b) has attained at least age 55, and whose combined years of age and years of Credited Service (to the nearest 1/10th in each case) shall total 85 or more, provided the Employee has completed 30 years of Credited Service; shall be eligible, commencing on the first day of the calendar month next succeeding the calendar month in which he retires, to receive a pension as provided in the Plan. Such election must be made by the Employee during the period March 1, 2001 to March 31, 2001.

3.04 Early (Special)

An Employee who has attained age 55 but not age 65 and who has 10 years of Credited Service may be offered retirement by the Company with the approval of the applicable Joint Committee and by means of a resolution to the Plan, in a non-discriminatory manner in instances of special necessity due to hardship, reduction in the work force,

functional reclassification, or inability to satisfactorily perform assigned employment and shall be eligible commencing with the calendar month next succeeding the calendar month in which he retires, to receive a pension as provided in the Plan.

3.05 Early (Age 55)

An Employee who has attained age 55 and who has completed 2 or more years of participation in the Plan may elect to retire from the service of the Company before his normal retirement date.

3.06 Disability Retirement

Each Employee who suffers from Total and Permanent Disability on or after the Effective Date of the Plan shall for the purposes of the Plan be deemed to have been retired from the service of the Company on the date such disability commenced, which commencement date shall be the date specified as such by the Joint Committee, or by a Diagnostic Hospital Clinic in a disputed case as provided in Article 10.03 hereof. Each such Employee who suffers from Total and Permanent Disability who shall have completed at least 10 years' Credited Service shall become eligible to receive a pension as provided in the Plan beginning the first day of the calendar month next following such commencement date. An Employee shall be deemed to have become totally and permanently disabled if, and only if, the Joint Committee shall have received a written opinion of a qualified physician selected by the Joint Committee that:

- (a) such Employee suffers from Total and Permanent Disability due to bodily injury or disease so as to be prevented from engaging in any regular employment with the Company,
- (b) such Total and Permanent Disability commenced on a date specified,
- (c) such Total and Permanent Disability was established by means of a written certification by a medical doctor, licensed to practice under the laws of a province of Canada on a date specified, which date may or may not be the same as the date specified pursuant to (b),

- (d) such Total and Permanent Disability will be permanent and continuous during the remainder of his life,
- (e) such Total and Permanent Disability was not contracted, suffered or received while he was engaged in, and did not result from his having engaged in a felonious criminal enterprise, for which he was convicted in a court of law.

3.07 Continuance of Total and Permanent Disability

An Employee who has become eligible to receive a pension pursuant to Article 3.06 shall be deemed a Pensioner and shall receive such pension pursuant to Section 6.05, following application therefor pursuant to Article 5 only so long as his Total and Permanent Disability continues and, in any event, not after age 65. When a Pensioner receiving such disability pension attains age 65, he thereafter shall receive a pension in the same amount subject to Articles 7 and 8 and shall no longer be considered on disability retirement and the reductions pursuant to Section 6.05 shall no longer apply.

The Joint Committee shall have the right to verify the continued existence of a Pensioner's Total and Permanent Disability at reasonable times prior to the Pensioner's attaining age 65. Should the Pensioner refuse to submit at the request of the Joint Committee to examination by a medical doctor licensed to practice under the laws of a province of Canada, selected by the Joint Committee, his pension shall be discontinued until he submits to such examination. After the Pensioner attains age 65, the existence or non-existence of his Total and Permanent Disability shall not be a factor in determining his rights under the Plan.

3.08 Company Discretion to Grant Early Retirement

The Company may in its discretion grant early retirement to any Employee who has either:

- (a) completed at least 10 years of Credited Service and attained age 60, or
- (b) attained at least age 55, and whose combined years of age

and years of Credited Service (to the nearest 1/10th in each case) shall total 85 or more, or

- (c) completed 30 or more years of Credited Service.

The amount of such early retirement pension shall be calculated pursuant to Sections 6.01, 6.02 and 6.09, if applicable, and shall be payable pursuant to subsections 6.02(c) and (d). Such early retirement shall be effected by means of a resolution signed by the Company.

Article 4 - Termination of Employment

4.01 Statutory Vested Pension (2 Years of Plan Participation)

An Employee with 2 or more years of participation in the Plan but less than 10 years of Credited Service whose employment is terminated on or after January 1, 1988 and prior to retirement and who does not qualify for an immediate pension under Article 3, shall be eligible for a vested deferred pension as provided in Article 6.06. If after termination of employment, any such Employee shall be re-employed by the Company, his previous years of Continuous Service and Credited Service shall be reinstated in lieu of his right to such vested deferred pension, provided, however, that the pension payable upon subsequent termination of employment or retirement in respect of his Credited Service so reinstated shall not be less than such vested deferred pension and further provided the Employee did not opt to transfer the Commuted Value of such vested deferred pension out of the Pension Trust as permitted pursuant to Article 6.08.

4.02 Vested Pension

An Employee with 10 or more years of Credited Service whose employment is terminated prior to retirement and who does not qualify for an immediate pension under Article 3, shall be eligible for a vested deferred pension as provided in Article 6.07. If, after termination of employment, any such Employee shall be re-employed by the Company, his previous years of Continuous Service and Credited Service shall be reinstated in lieu of his right to such vested deferred

pension, provided, however, that the pension payable upon subsequent termination of employment or retirement in respect of his Credited Service so reinstated shall not be less than such vested deferred pension and further provided the Employee did not opt to transfer the Commuted Value of such vested deferred pension out of the Pension Trust as permitted pursuant to Article 6.08.

4.03 Statutory Vested Pension (Attainment of Age 45 and 10 or More Years of Continuous Service with the Company or 10 or more Years of Participation in the Plan

An Employee who has attained age 45 with 10 or more years of Continuous Service with the Company or 10 or more years of participation in the Plan whose employment is terminated prior to retirement and who does not qualify for an immediate pension under Article 3 or a vested deferred pension under Article 4.02, shall be eligible for a vested deferred pension as provided in Article 6.07. If, after termination of employment, any such Employee shall be re-employed by the Company, his previous years of Credited Service shall be reinstated in lieu of his right to such vested deferred pension, provided, however, that the pension payable upon subsequent termination of employment or retirement in respect of his Credited Service so reinstated shall not be less than such vested deferred pension and further provided the Employee did not opt to transfer the Commuted Value of such vested deferred pension out of the Pension Trust as permitted pursuant to Article 6.08. For the purposes of this Article 4.03 and class Fifth of Article 12.04, the period of continuous employment with the Company shall not be deemed to be broken by periods of temporary suspension of employment in respect of layoff, disability and leaves of absence approved by the Company.

Article 5 - Applications (Effective Dates) for Pensions

5.01 Commencement Date

The pension payable hereunder to an Employee becoming eligible therefor as provided in Article 3 or 4 shall commence as of the date he becomes eligible, provided his written application for such pension is received not later than the

end of the calendar month in which such date occurs. If such application is not received during such month, such pension shall commence as of the first day of any subsequent month in which such application is received. Provided, however, that if a late application is filed for a benefit which would otherwise have been payable from or after age 65, any payments which have accrued after age 65 shall be paid with the first benefit cheque. Each such application shall be on a form or forms provided by the Company and shall be filed in such manner and with such person as the Company shall specify.

Article 6 -Amount of Pension

6.01 In the Event of Normal Retirement

In such event, the monthly pension payable shall be equal to a basic pension for each year of Credited Service multiplied by a benefit rate of \$38.50 for retirements on and after March 1,2001.

6.02 In the Event of Early Retirement (Employee Option) under Article 3.02 and (Company Consent Option) under Article 3.03

- (a) In such event, the retired Employee's monthly pension shall be determined as follows:

Basic Pension

- (i) His basic pension shall be computed in accordance with Article 6.01 but on the basis of his Credited Service to his actual retirement date.

Supplementary Pension

- (ii) His supplementary pension for months of pension payments prior to and including the first of the month in which Statutory Benefits become payable shall be an amount equal to his Credited Service to a maximum of

30 years, multiplied by $\$18.00$ reduced by the amount of Statutory Benefit payable prior to Statutory Benefit Age:

- (b) Cessation of Supplementary Pension
His supplementary pension shall cease on the earlier of his date of death and first of the month following attainment of age 65.
- (c) Commencement of Pension
The amount so determined under paragraphs (a)(i) and (ii) above shall commence on the first day of any month selected by the Employee after attainment of age 62.
- (d) Reduction Upon Commencement Prior to Age 62
In lieu of the pension described in Article 6.02(a), the Employee may elect to have his pension commence at his early retirement date prior to age 62 in which event the amount shall be the benefit otherwise commencing at age 65 as determined under Paragraph (a) above and reduced by $\frac{4}{10}$ ths of 1% for each month the Employee is under age 62 at the date of his early retirement, provided, however, that in respect of an Employee who retires with 30 or more years of Credited Service, such reduction shall be waived.

6.03 In the Event of Early Retirement (Special) Under Article 3.04

In such event, the retired Employee's pension shall be determined in accordance with Article 6.02(a)(i), (ii) and Article 6.02(b) above but on the basis of his Credited Service to his actual retirement date. The amount so determined shall be his pension, commencing on the first day of the calendar month next succeeding the calendar month in which he retires, as provided in Article 3.04, reduced by 0.25% in respect of benefits accrued on and after January 1, 1992 for each month by which the commencement of the pension precedes the earliest of the Employee's 60th birthday, his completion of 30 years of his Continuous Service, his combination of age plus his Continuous Service totaling 80.

6.04 In the Event of Early Retirement (Age 55) Under Article 3.05

In such event, the retired Employee's pension shall be determined in accordance with Article 6.02(a)(i) and shall be the Actuarial Equivalent of the pension otherwise payable at age 65. The amount so determined shall be his pension, commencing on the first day of the calendar month next succeeding the calendar month in which he retires, as provided in Article 3.05.

Notwithstanding the above, in no event shall the pension be reduced by less than 0.25% for each month by which the commencement of the pension precedes the earliest of the Employee's 60th birthday, his completion of 30 years of his Continuous Service, his combination of age plus his Continuous Service totaling 80.

6.05 In the Event of Retirement on Account of Total and Permanent Disability

In such event, the retired Employee's monthly pension shall be determined in accordance with Article 6.02(a)(i), (ii) and Article 6.02(b) above but on the basis of Credited Service to his actual retirement date. The amount so determined shall be his pension, commencing on the date prescribed in Article 3.06. Provided, however, that if the Pensioner also qualifies for a Weekly Indemnity Benefit or an Extended Disability Benefit, his pension for any month in which he is entitled to such benefits, shall be reduced by the amount of any such benefits payable, except that any increase in the Pensioner's monthly pension occurring after the date such pension first becomes payable shall not be subject to reduction on account of an Extended Disability Benefit.

6.06 In the Event of Termination of Service with 2 or More Years of Plan Participation but Less Than 10 Years of Credited Service

An Employee who qualifies for a vested deferred pension under Article 4.01 shall have the amount of such pension determined in accordance with Article 6.02(a)(i) based on his Credited Service from January 1, 1987 to his date of termination of service plus any increases granted after December 31, 1986 in respect of Credited Service prior to

January 1, 1987 to commence on the first day of the month following the Employee's 65th birthday. The Employee may elect to have the pension commence between age 55 to 65, in which event such pension shall be the Actuarial Equivalent of the pension otherwise payable at age 65.

Notwithstanding the above, in no event shall the pension be reduced by less than 0.25% for each month by which the commencement of the pension precedes the earliest of the Employee's 60th birthday, his completion of 30 years of his Continuous Service, his combination of age plus his Continuous Service totaling 80.

6.07 In the Event of Termination of Service Prior to Retirement and Prior to Age 60

An Employee who qualifies for a vested pension under either Article 4.02 or Article 4.03 shall have the amount of such pension determined in accordance with Article 6.02 based on his Credited Service to his date of termination and such pension shall be payable on the first day of the month following the Employee's 65th birthday. A terminated Employee entitled to a vested deferred pension upon proper application therefor may elect to receive between

- (a) his attaining the age of 55 and the age of 60, to have such pension commence on the first day of the month subsequent to such application, and in such event, the pension shall be the Actuarial Equivalent of the pension otherwise payable at age 65, or
- (b) his attaining the age of 60 and the age of 65, to have such pension commence on the first day of the month subsequent to such application, and in such event, the pension shall be reduced by 4/10ths of 1% for each month the Employee is under 65.

Notwithstanding (a) above, in no event shall the pension be reduced by less than 0.25% for each month by which the commencement of the pension precedes the earliest of the Employee's 60th birthday, his completion of 30 years of his Continuous Service, his combination of age plus his Continuous Service totaling 80.

6.08 Options for Deferred Pension Payments

- (a) In respect of an Employee who is entitled to receive a vested deferred pension and has not attained age 55, such Employee may elect in writing within 60 days of receipt of written notice from the Company of the amount of benefit payable in the form of a deferred annuity, that the Commuted Value of such deferred annuity be subject to the maximum transfer limitations determined under Regulation 8517 of the Income Tax Act:
 - (i) transferred to another registered pension plan provided such other pension plan accepts the transfer and requires that such sum be administered pursuant to the Pension Benefits Act; or
 - (ii) transferred to a locked-in retirement account or life income fund of the type prescribed for such purpose by the Pension Benefits Act; or
 - (iii) alternatively, he may elect to purchase from an insurance company a deferred life annuity in accordance with the terms of the Plan under which payments will not commence more than 10 years prior to his Normal Retirement Date or later than the day preceding his 71st birthday provided the insurance company agrees to administer such deferred annuity pursuant to the Pension Benefits Act and where such annuity is not payable for the joint lives of the Member and his Spouse, such annuity may be guaranteed as elected by the Employee provided any guaranteed period selected by the Employee does not exceed 15 years.
- (b) In the event that the Employee fails to make an election pursuant to this Article 6.08 the Employee is deemed to have elected that pension payments commence at age 65.
- (c) Notwithstanding the above, the Company shall not permit a transfer or purchase under this Article 6.08 unless the Company is satisfied that the transfer or purchase is in accordance with the solvency restrictions under the Pension Benefits Act.

6.09 Special Allowance

- (a) An Employee who retires from the Company pursuant to Article 3.03 with 30 or more years of Credited Service and who retired at any age under 65 shall, upon application therefor within 4 years of his last day worked, receive a Special Allowance.
- (b) The monthly amount of the Special Allowance payable shall be an amount which, when added to the basic pension pursuant to Section 6.01 and supplementary pension pursuant to subsection 6.02(a)(ii) payable to the Pensioner under the Plan, shall equal \$2,850 per month for retirements on and after March 1,2001.
- (c) In the case of an Employee whose supplementary pension is reduced because of entitlement to a Statutory Benefit, in computing his Special Allowance, the Employee's monthly pension payable under Article 6.02, 6.03 or 6.05 shall be deemed to include the amount of supplementary pension payable without such reduction.
- (d) If an Employee entitled to a Special Allowance makes an election or is deemed to have made an election under Article 8, his Special Allowance shall be computed on the basis of the monthly pension he would have received if he had not made or was not deemed to have made the election under Article 8.
- (e) The Special Allowance to an Employee shall commence on the first day of the month following the date on which the Employee retires, and shall be paid monthly thereafter until and including the first day of the month following the month in which he attains an age at which Statutory Benefits become payable, or he dies, or his pension ceases for any other reason, or he is re-employed by the Company whichever occurs first.
- (f) Any increases in pension benefits granted pursuant to subsection 5.01(b)(i) of the Agreement shall not modify the Special Allowance provided under this Section 6.09.

6.10 Maximum Pension Benefit

Notwithstanding anything contained herein to the contrary with respect to the Employee, the lifetime pension benefit paid under this Plan as a result of retirement, death, termination of service or termination of the Plan (including any pension benefit payable as a result of a distribution of surplus or to the Spouse on marriage breakdown pursuant to a written agreement) shall not exceed an annual amount calculated as set out below and determined in the year in which such pension benefit commences to be paid, that is the lesser of (a) and (b):

- (a) (i) \$1,722.22 for each year of the Employee's pensionable service with the Company (to a maximum of 35 years in respect of pensionable service prior to 1992); or
- (ii) 1/9th of the money purchase limit (as defined by subsection 147.1(1) of the Income Tax Act) for each year of the Employee's pensionable service with the Company (to a maximum of 35 years in respect of pensionable service prior to 1992) whichever is greater and,
- (b) 2% of the average of the Employee's best 3 years of remuneration from the Company, adjusted to reflect increases in the average wage [as defined in subsection 147.1(1) of the Income Tax Act], times the number of years of pensionable service (to a maximum of 35 years in respect of pensionable service prior to 1992).

Further, the amount of lifetime pension benefit payable to the Member under the Plan commencing prior to his Normal retirement Date shall not exceed in the year in which such pension benefit commences to be paid, the maximum retirement pension as set out under (a) or (b) above, reduced by 3% for each year by which the commencement of the early pension benefit precedes the earliest of the Member's 60th birthday, completion of 30 years of pensionable service, combination of age plus pensionable service equals 80 or commencement of total and permanent disability

The above prohibition shall not apply to any annual bridging supplement payable to age 65 that, at the date such bridging supplement commences to be paid, is not in excess of:

- (a) in respect of pensionable service prior to 1992, the pension benefit payable under the Canada/Quebec Pension Plan and the Old Age Security Act which would be paid if such Member were age 65 throughout the month in which the payment of the bridging benefit commenced, multiplied by a fraction the numerator of which is the number of years and fractions thereof of pensionable service (as defined by subsection 8500(3) of the Regulations under the Income Tax Act) completed prior to 1992 and the denominator of which is the number of years and fractions thereof of pensionable service (as defined by subsection 8500(3) of the Regulations under the Income Tax Act) completed by the Member under the Plan, plus
- (b) in respect of pensionable service after 1991, the pension benefit payable under the Canada/Quebec Pension Plan and the Old Age Security Act which would be paid if such Member were age 65 throughout the month in which the payment of the bridging benefit commenced provided that if the Member had attained age 60 and completed 10 years of pensionable service (as defined by subsection 8500(1) of the Regulations under the Income Tax Act) or is totally and permanently disabled (as defined by subsection 8500(1) of the Regulations under the Income Tax Act). In the event the Member had not attained age 60 or completed 10 years of pensionable service (as defined by subsection 8500(1) of the Regulations under the Income Tax Act) and is not totally and permanently disabled (as defined by subsection 8500(1) of the Regulations under the Income Tax Act), the maximum bridging supplement shall be equal to the sum of the Pension Benefit payable under the Canada/Quebec Pension Plan and Old Age Security Act which would be paid if such Member were age 65 throughout the month in which the payment of the bridging benefit commenced, reduced by 0.25% for each month by which commencement of such bridging supplement precedes his 60th birthday and by 10/12% for each month by which his pensionable service, or in the case of connected persons, equivalent full-time pensionable service, is less than 10 years, multiplied by a fraction the numerator of which is the number of years and fractions thereof of pensionable

service (as defined by subsection 8500(3) of the Regulations under the Income Tax Act) completed after 1991 and the denominator of which is the number of years of pensionable service (as defined by subsection 8550(3) of the Regulations under the Income Tax Act) completed by the Member under the Plan.

Notwithstanding the immediately preceding paragraph, the sum of the bridging supplement and the lifetime pension benefit at the date such benefit and supplement commences to be paid in respect of pensionable service after 1991, shall not exceed:

- (i) \$1,722.22 for each year of the Member's Credited Service with the Company if the year in which such pension benefit commences is prior to 1996; or if greater,
- (ii) 1/9th of the money purchase limit (as defined by subsection 147.1(1) of the Income Tax Act) for each year of the Member's Credited Service with the Company

plus 1/35 of the 25% of the average of the Year's Maximum Pensionable Earnings for the year in which the benefits commence to be paid and for each of the 2 immediately preceding years per year of Credited Service to a maximum of 35 years.

The amount of lifetime pension benefit payable to a Member for a particular calendar year after the year in which the lifetime pension benefit commences to be paid cannot exceed the maximum allowable amount of lifetime pension benefit in the year in which the lifetime pension benefit commences to be paid multiplied by the percentage increase in the Consumer Price Index from the calendar year in which the lifetime pension benefit commences to be paid until such particular calendar year. Such percentage increase may be determined in any other alternative manner provided for by the Income Tax Regulations.

The amount of bridging supplement payable to a Member for a particular month after the month in which the

bridging supplement commences to be paid cannot exceed the maximum allowable amount of bridging supplement in the month in which the bridging supplement commences to be paid multiplied by the percentage increase in the Consumer Price Index from the month in which the bridging supplement commences to be paid until such particular month. Such percentage increase may be determined in any other alternative manner provided for by the Income Tax Regulations.

6.11 Retirement After Cessation of Extended Disability Benefits (EDB)

- (a) Each Employee who becomes disabled prior to meeting the provisions pursuant to Section 3.06, but who is in receipt of EDB shall continue to accrue Continuous Service and membership under the Plan until the earlier of his termination of employment, death or retirement. No Credited Service shall accrue during such period. At such Employee's termination of service, death or retirement, as applicable, he shall be entitled to receive a pension benefit based on the benefit rate and all other Plan provisions in effect at date of commencement of his disability.
- (b) Each Employee who becomes disabled and is eligible to retire pursuant to Section 3.06 but elected not to retire and who is in receipt of EDB shall continue to accrue Continuous Service and membership under the Plan until the earlier of his termination of employment, death or retirement. No Credited Service shall accrue during such period. At such Employee's termination of service, death or retirement, as applicable, he shall be entitled to receive a pension benefit based on the benefit rate and all other Plan provisions in effect at date of commencement of his disability.
- (c) The Company may at its discretion grant an Employee who
 - (i) becomes disabled,
 - (ii) has not retired under Section 3.06,
 - (iii) has ceased receiving EDB payments,
 - (iv) is suffering from a mental or physical disability that is likely to shorten considerably the life expectancy of the Employee or former Employee, certified in writing by a medical doctor licensed to practice under the laws of Canada and

- (iv) at that date has at least 30 years of Continuous Service, but less than 30 years of Credited Service, to count Continuous Service as Credited Service to an overall maximum of 30 years of Credited Service for purposes of eligibility and determination of early retirement benefit entitlements.
- (d) The Company shall grant an Employee who
- (i) becomes disabled,
 - (ii) was eligible to retire under Section 3.06,
 - (iii) has ceased receiving EDB payments,
 - (iv) has returned to full-time employment with the Company during the period commencing January 1, 1994 to January 31, 1994 to count Continuous Service as Credited Service for the purposes of calculating retirement benefits under the Plan.

Article 7 - Monthly Payment and Duration of Pension

7.01 Pension Paid for Life

Each pension payable hereunder to an Employee who at date of retirement does not have a Spouse shall be paid monthly and the final payment on account of each such pension shall be made for the month in which the death of the Pensioner occurs, subject to the provisions of Article 7.02 here below.

7.02 Automatic Election

Where the Employee at date of retirement does have a Spouse, payment will be made in accordance with Article 8 hereof, unless such Employee and his Spouse waive such election, in which event his pension may be paid in accordance with Article 7.01 above.

7.03 No Duplication of Benefits

There shall be no duplication of the pension under any one section of this Plan and the pension under any other section of this Plan: nor shall there be any duplication of the Credited Service or non-contributory pension under any similar pension plan for other employees of the Company, in respect of the same years of service.

7.04 Overpayment

Where an Employee or survivor is overpaid as a result of management error, the Pension Fund shall recover no more than the most recent 12 months of overpayment.

Article 8 • Optional Pension Benefits to Employee's Surviving Spouse

8.01 Election of Option

In lieu of the basic monthly pension otherwise payable under Article 7.01 hereof (but not the supplementary pension) but before commencement of pension payments with the exception of (b) below, the Employee (which term shall, for purposes of this Article 8, include a Former Employee or a Pensioner who married after his retirement date) is eligible under the following terms and conditions to receive a reduced monthly pension payable during his lifetime, terminating with the last monthly payment before his death, with the provision that if his Spouse who was named as joint annuitant is living at his death, a pension in the amount specified pursuant to Section 8.04 shall be payable monthly thereafter to such Spouse during her lifetime, terminating with the last monthly payment before her death. In the event such Spouse predeceases such retired Former Employee or Pensioner, or they are divorced by court decree, or, if not legally married, they terminate their co-habiting and residing together, such retired Former Employee or Pensioner may cancel the survivor benefit election and have his monthly basic pension benefit restored to the amount payable without such election effective the first day of the first month following the month in which the Company receives:

- (a) evidence satisfactory to the Company of the Spouse's death;
or
- (b) such retired Former Employee's or Pensioner's written revocation of election because of divorce, or if not legally married, because of termination of their co-habiting and residing together, on a form approved by the Company and accompanied by evidence satisfactory to the Company of a final decree of divorce, or if not legally married, of termination of co-habiting and residing together. Provided, however,

that in the event a Former Employee or a Pensioner who retired with benefits commencing prior to February 29, 1992, and with a regular survivor option in effect, is divorced from his designated Spouse, he cannot revoke his prior election; any such Pensioner may, however, elect to receive the full amount of the increase in the basic pension provided under Article 6.01 of the Pension Plan Agreement as in effect from March 16, 1977 to December 1, 1980 and Article 6.01 of the Pension Plan Agreement as in effect from December 1, 1980 to March 1, 1983 and Article 6.01 of the Pension Plan Agreement as in effect from March 1, 1986 to March 14, 1989, and the Pension Plan Agreement in effect from March 1, 1989 to March 14, 1992.

8.02 Limitation on Election of Option

An Employee making an election must specify the joint annuitant and such annuitant can only be a person who is the Employee's Spouse on the date of election. Such election must be made on an appropriate form and can be made at any time up to date of retirement, except that:

- (a) in the case of a Total and Permanent Disability pension commencing prior to age 55, such election can only be made in the month in which such Pensioner attains age 55, and his reduced pension will commence on the first day of the following month;
- (b) in the case of an Employee who has a Spouse to whom he has been married for less than one year or with whom he has co-habitated and resided, for less than one year, whichever is applicable, at the time the election would otherwise become effective, such election will only become effective on the first day of the month following the month of the first anniversary of the marriage, or following the completion of one year of co-habiting and residing together (provided this shall occur within one year after the Employee's retirement), whichever is applicable, or, if later, on the first day of the month for which his first benefit under the Plan is payable;
- (c) notwithstanding (a) above, the Spouse or Beneficiary of such Pensioner who is receiving a disability pension, in the event

of death of such Pensioner, is entitled to elect the death benefit payable pursuant to Article 9.01.

8.03 Pension to Former Employee and Pensioner

The reduced monthly pension payable to the Former Employee or Pensioner shall be determined by reducing the amount of the basic pension arising under Article 6 by an amount equal to 5% if the Former Employee's or Pensioner's age and his joint annuitant's age vary by no more than 5 years. Each percentage shall be decreased by 1/2 of 1% for each 12-month period in excess of 5 years up to 15 years that the joint annuitant's age is greater than the Former Employee's or Pensioner's age, and shall be increased by 1/2 of 1% for each 12-month period in excess of 5 years that the joint annuitant's age is less than the Employee's age.

8.04 Pension to Spouse After Retirement

The amount of the monthly pension payable to the Spouse shall be:

- (a) if the Pensioner or Former Employee in receipt of pension payments died after retirement prior to March 16, 1977, the amount shall be 55% of the amount of the monthly basic pension payable to the Pensioner or retired Former Employee after the reduction provided in Section 8.03 above;
- (b) if the Former Employee or Pensioner dies after retirement after March 15, 1977, the amount shall be 60% of the amount of the monthly basic pension payable to the retired Former Employee or Pensioner subject to the reduction provided in Section 8.03 above.

8.05 No Supplementary Pension

The supplementary monthly pension payable under Article 6.02(a)(ii) does not enter into this option and will be paid to the Pensioner as if no option had been elected.

Article 9 • Death **Benefits** Prior to Retirement

9.01 Benefits to Surviving Spouse or Beneficiary

- (a) In the event of the death of an Employee who has completed 2 years of participation in the Plan, and who is survived by a Spouse or Beneficiary in the absence of a Spouse on the date of his death or earlier termination of employment, the following shall be paid:
 - (i) in respect of an Employee who dies while in active employment and who is not eligible for normal retirement or early retirement pursuant to the provisions of Article 3.02 or 3.03, or
 - (ii) in respect of an Employee who dies subsequent to termination of employment and who did not make an election pursuant to Article 6.08, the surviving Spouse or Beneficiary will receive a lump sum equal to the Commuted Value of the pension accrued in respect of Credited Service from January 1, 1987 to the Employee's date of death (including any increases granted after December 31, 1986 in respect of Credited Service prior to January 1, 1987) or earlier termination of employment.
- (b) The Spouse may elect, in lieu of such lump sum amount, that distribution be made by:
 - (i) the purchase of an immediate or deferred annuity from an insurance company licensed to carry on a life insurance business in Canada, or
 - (ii) the transfer to a registered retirement savings plan
- (c) An Employee and his or her Spouse may waive the Spouse's entitlement under Articles 9.01 (a) and (b) in which case the entitlement shall be paid by means of one lump sum payment to the Beneficiary or to the estate.

9.02 Spousal Pension

Notwithstanding anything to the contrary contained herein, in the event the Employee dies before his actual retirement under the Plan and provided he is then eligible for normal

retirement or early retirement pursuant to the provisions of Article 3.02, 3.03 or 3.08 as if the Employee had applied for and received Company consent and is survived by a person who is his Spouse on the date of his death, there shall be payable to such surviving Spouse a monthly benefit which shall be determined in exactly the same manner as if the Employee has retired on the date of his death and had elected to have his pension payable under the terms of Article 8 hereof. In lieu of the above, the Spouse may elect to receive the death benefit entitlements pursuant to Section 9.01. It is further provided, however, that no benefit shall be payable under this Article 9.02 for any month for which benefits are payable under Article 1.02 of the Life Insurance Programme (Transition and Bridge Benefits). Provision is made in the afore-mentioned Article 1.02 for the surviving Spouse to waive receipt of benefits under the said Article 1.02.

9.03 Designation of Beneficiary

Each Employee may designate a Beneficiary (or co-Beneficiaries) who shall receive any benefits payable upon the death of such Employee which are not required to be paid to the Spouse. Subject to the provisions of any annuity, insurance or other contract from which such benefits are derived, the Employee may designate or change his Beneficiary from time to time (before or after his retirement) by filing written notice thereof with the Company in such form as shall be prescribed by it. The Employee may also designate a co-Beneficiary and may change such designation from time to time as provided above in the case of a Beneficiary.

9.04 Absence of Beneficiary

Subject to the provisions of any annuity, insurance or other contract governing the designation of Beneficiaries of a deceased Employee from time to time in force or of any applicable law, whenever there is no designated Beneficiary or co-Beneficiary shall not be living at the time of such Employee's death, the sum that may be payable to the Beneficiary or co-Beneficiary, as the case may be, pursuant to the Plan as a result of his death shall be payable to such Employee's estate in a lump sum, and in such case, wherever

in the Plan reference is made to such Employee's Beneficiary or co-Beneficiary for any purpose whatsoever, such reference shall be interpreted so as to mean such Employee's estate.

Article 10 - Establishment of Joint Committee and
Procedure in connection with Certain Disputes

10.01 Joint Committee

A Joint Committee shall be established at each location by the Company and each local Union that is covered by a Pension Plan Agreement. Each such Committee shall consist of not more than four members, one-half of whom shall be designated by the Company and one-half by the Union. The representatives of the Company and such Union on the Committee shall each collectively have one vote and one representative of each party shall constitute a quorum. The duties of the Joint Committee shall be to perform the following administrative functions as they may apply to Employees covered by the appropriate Pension Plan Agreement:

- (a) To make determinations as to the right of any Employee or other person to receive benefits and the amounts thereof and to afford any such individual then dissatisfied with any such determination the right to a hearing thereon.
- (b) To process and approve all applications for benefits before forwarding same to the Company.
- (c) To make all determinations as to the existence or continuance of Total and Permanent Disability under the Plan.
- (d) To furnish a written explanation of the Plan to each Employee, outlining the terms and conditions of the Plan and amendments thereto applicable to him, together with an explanation of the rights and duties of the Employee with reference to the benefits available to him under the terms of the Plan, and to review and distribute other pertinent information about the operation of the Plan, including examination of financial data and such other information as may be prescribed by the Pension Benefit Act or any other legislation applicable to the Employee.

10.02 Disputes as to Age or Years of Continuous Service

The Company shall refer to the appropriate Joint Committee any dispute which it may have with a retiring Employee represented by a Union as to:

- (a) the number of years of Continuous Service and Credited Service of such Employee, or
- (b) the age of such Employee, or his joint annuitant.

If the Joint Committee cannot reach a decision, the matter in dispute shall be submitted to an Impartial Chairman for decision. The Impartial Chairman shall be mutually agreed upon and selected by the Joint Committee, and shall have the authority to decide the matter in dispute only in accordance with the provisions of the Plan and shall not have authority in any way to alter, add or subtract from any of such provisions. The decision of the Impartial Chairman on any such dispute shall be binding on the Company, the retiring Employee, the Joint Committee concerned and any other representative of such Employee.

10.03 Dispute as to Total and Permanent Disability

The appropriate Joint Committee shall rule in any dispute as to Total and Permanent Disability of any Employee or Pensioner. The decision of the Joint Committee, based on competent medical advice, shall be final and binding upon the Company, the Employee or Pensioner and any other representative of the Employee or Pensioner. If the Joint Committee cannot reach a decision regarding a matter of medical opinion, the Joint Committee shall refer such matter to a Diagnostic Medical Clinic whose decision shall be final.

10.04 Settlement of Disputes

The settlement of any dispute outlined in Article 10.02 or 10.03 shall be made within 30 days (or within such longer period as may be permitted for extenuating circumstances) of the date such dispute is submitted to the Joint Committee.

Article 11 - Pension Trust and Administration

11.01 Funding

The Company shall establish a Pension Trust with a trustee or trustees selected by it and shall pay into such trust such amounts as the Actuary, retained by the Company for the purpose of the Plan shall certify each year to be necessary to provide the benefits accruing to Employees during the current year and to make provision for the amortization within the period prescribed by law of any initial unfunded liability, going concern unfunded actuarial liabilities or solvency deficiency after taking into consideration the assets of the Pension Trust and such other factors as may be deemed relevant. The Company at its option, may, from time to time, pay into the Pension Trust additional amounts

11.02 Remittance of Contributions

The remittance of contributions is subject to the following legislative bodies:

- (a) Pension Benefits Act,
- (b) Income Tax Act (Canada), and
- (c) Regulations of Revenue Canada with respect to registration of an employees' pension plan under the Income Tax Act (Canada) and approval of payments to such plan under the Income Tax Act (Canada).

11.03 Pension Adjustment Limits

No provision under this Plan shall operate to provide a Pension Adjustment for any Employee for any year to be in excess of the lesser of:

- (a) the money purchase limit for the year, or
- (b) 18% of the Employee's compensation (as defined under the Income Tax Act (Canada)) from the Company for the year, or cause the determination of amounts under Part LXXXIII of the Income Tax Regulations to be inappropriate in relation to the pension benefits provided under the Plan.

11.04 Revocation of Registration

The Company may amend the Plan at any time to reduce the pension benefits provided to Employees under any of its provisions to the extent necessary to avoid the revocation of the registration of the Plan. Such amendment shall be a matter for further negotiation between the Company and the Union. In negotiating any such revisions the parties shall adhere as closely as possible to the intent of the parties as expressed in this Agreement in the Plan.

The Plan administrator shall subsequently pursuant to the negotiated changes cause a return of contributions to the Company, to avoid revocation of the Plan's registration where benefits or contributions fail to comply with the income Tax Act (Canada) or Regulations thereunder.

11.05 Investment

The Pension Trust shall be invested, *re-invested* and paid out in accordance with the agreement or agreements establishing such trust and the Plan, provided, however, that no part of the fund shall be used for, or diverted to, purposes other than the exclusive benefit of Pensioners and the Employees as provided herein prior to the satisfaction of all liabilities to them under the Plan. No assets from the Pension Trust shall be invested contrary to the provisions of the Pension Benefits Act and any other similar legislation governing the investment of pension funds.

11.06 Expenses

The Company shall pay all costs and expenses of operation and administration of such trust.

The expenses of administration of the Plan, including but not limited to, fees of the Actuary and any expenses of any person, firm or corporation appointed, employed, retained or consulted pursuant to Article 11.02, shall be paid from the Pension Trust unless paid directly by the Company.

11.07 Contributions

No Employee shall be required to make any contribution towards the cost of pension benefits.

11.08 Administrator

The Company, except as otherwise provided in the Plan, shall be the designated administrator of the Plan and have sole responsibility for, and sole control of, the operation and administration of the Plan, and shall adopt such rules and regulations as it may deem necessary for the efficient operation and administration of the Plan.

11.09 Annual Statements

The Company agrees to provide each Employee with an annual statement of the amount of his Credited Service under the Plan, and his pension entitlement at age 65 earned to the date of the statement.

11.10 Pension Cheques

The Company will make arrangements, if possible, for the trustee to pay pension cheques into the Pensioner's bank account or savings account with a credit union.

11.11 Actuarial Valuations

The Company shall adopt from time to time upon the recommendation of the Actuary tables and the rate or rates of interest, compounded annually, which shall be used in all actuarial calculations required in connection with the Plan. As an aid to the Company in adopting tables and in fixing the rates of Company contributions payable to the Plan, the Actuary shall make triennial actuarial valuations or more frequent actuarial valuations as the Company sees fit, of the contingent assets and liabilities of the Plan, and shall recommend to the Company tables and rates of contributions for use by the Company. The Company shall cause to be maintained accounts showing the fiscal transactions of the Plan, and shall cause the collection and maintenance in convenient form of such data as may be necessary for actuarial valuations of the Plan.

11.12 Appointment of Services

The Company shall appoint an Actuary to serve at its pleasure, who shall be the technical advisor to the Company on matters regarding the operation of the Plan and who shall perform such other duties as are required in connection therewith. The Company may retain or consult counsel (who

may be counsel for **the** Company), may appoint an agent or agents, and may employ such clerical, medical, investment and accounting services as it deems expedient, prudent and reasonable in the circumstances for carrying out the provisions of the Plan.

11.13 Accounts

The Company shall cause to be maintained such account or accounts as may be necessary to properly administer the Plan.

Article 12 - Amendment, Modification or Termination of the Plan

12.01 Right to Amend and Discontinue the Plan

The Company reserves the right by action of its Board of Directors to amend, modify or terminate the Plan, in whole or in part, at any time for any reason whatsoever, provided, however, that neither the rights of any Pensioner, nor the rights of any Employee or former Employee then entitled to apply for pension benefits under the Plan shall be affected by such amendment, modification or termination. Such amendment, modification or termination shall be a matter for further negotiation between the Company and the Union. In negotiating any such revision the parties shall adhere as closely as possible to the intent of the parties as expressed in this Agreement and in the Plan. Further, a Pensioner's, Employee's or Former Employee's accrued benefits under the Plan shall not be reduced except subject to the above negotiations to avoid revocation of registration of the Plan under the Income Tax Act (Canada), or upon wind-up of the Plan when, due to insufficient funds, a reduction is approved by a federal or provincial authority having jurisdiction over the Plan.

12.02 Whole and Partial Discontinuance

After termination of the Plan in whole or in part, no Employee affected by such termination, and no Pensioner or former Employee, shall thereafter be entitled to a pension under the Plan except as provided in this Article 12, and all pensions payable pursuant to this Article 12 shall be paid from the Pension Trust.

12.03 Applicability of Pension Benefits Act

Notwithstanding any provisions of this Article 12 any distribution of assets of the Pension Trust arising from the termination of this Plan, whether in whole or in part, shall be subject to the provisions of the Pension Benefits Act.

12.04 Distribution of Assets

In the event of complete termination of the Plan, the balance of the Pension Trust remaining after the payment therefrom of all amounts payable under the Plan to the date of such termination and after providing for the expense of carrying out the provision of this Article 12 shall be allocated, and, as necessary, from time to time re-allocated, upon the basis of the reserves actuarially necessary to provide pensions and death benefits for Pensioners and Employees, in the following order of precedence by classes: subject to any restrictions imposed by the Pension Benefits Act.

First:

All Pensioners, joint annuitants or former vested Employees eligible to receive monthly benefits, or joint annuitants of Pensioners who have elected a survivorship option pursuant to Article 8 on the date of such termination.

Second:

All Employees who have attained age 65 on the date of such termination.

Third:

All Employees who have attained age 60 but not age 65 on the date of such termination and then have 10 or more years of Credited Service.

Fourth:

All Employees who have attained age 50 but not age 60 on the date of such termination and then have 10 or more years of Credited Service.

Fifth:

All Employees who have attained age 45 and who have not attained age 50 on the date of such termination and then

have 10 or more years of Continuous Service with the Company or 10 or more years of participation in the Plan.

Sixth:

All Employees who have completed at least 2 years of Plan participation.

Seventh:

All other Employees.

12.05 Former Employees eligible for benefits under Article 6.07 shall be included in their appropriate above category on the basis of their ages on the date of termination of the Plan.

12.06 Commencement of Payments

The pension of each member of the first class above shall commence on the first day of the calendar month next following the last month with respect to which the Pensioner received a pension pursuant to Article 7 and subject to the provisions of this Article 12, shall be in the amount of the pension which he would have received under the Plan if the Plan had not been terminated. The pension of each member of the second class above shall commence on the first day of the calendar month next following the month in which the Employee retires from the service of the Company. The pension of each member of the third, fourth, fifth, sixth or seventh class above shall commence on the first day of the calendar month next following the month in which the Employee attains age 65 or retires from the service of the Company, whichever occurs later, subject however to the Employee's rights, if any, under the Pension Benefit Act to receive pension payments from an earlier retirement date.

12.07 Amount of Pension

Subject to the provisions of this Article 12, the pension of each member of the second, third, fourth, fifth, sixth or seventh class above shall be in the amount of the pension of such member computed in accordance with Article 6.01 upon the basis of his Continuous Service to the date of such termination, or in accordance with Article 6.03, if applicable. Each such person shall also be subject to the provisions of Article 7 and no person shall receive any payment pursuant

to this Article 12 until, after attaining age 65 or retiring from the service of the Company, whichever occurs later, he shall have filed a statement setting forth such information pertinent to his right to receive a pension under this Article 12 as the administration procedure of the Plan shall require.

12.08 Insufficient Funds

If the Pension Trust shall at any time be insufficient for the allocation or re-allocation therefrom to any of the first 6 classes (in order of precedence stated above) of an amount equal to the sum of the reserves actuarially necessary to provide for the payment of all pensions payable pursuant to this Article 12 to members of such class, each pension thereafter payable hereunder to a member of such class, shall proportionately be reduced; if the portion of the Pension Trust so allocated or re-allocated during any period to any such class shall be zero, no pension shall be payable to any member of such class during such period.

12.09 Annuity Contract

At any time or from time to time after such termination, the Company in conjunction with the Joint Committee, may, in its discretion, elect to use all or part of the Pension Trust to purchase annuity contracts for all those members of all of the first 6 classes or for all those members of any of such classes (in the order of precedence stated above) to whom pensions are, or thereafter may be, payable pursuant to this Article 12 subject to the Employee's portability rights under the Pension Benefits Act. Each such annuity contract shall provide for the payment for life, commencing on the applicable date set forth above, of a monthly amount equal to the member's pension so determined; provided, however, that in the event the Pension Trust is insufficient for the purchase of annuity contracts providing for the payment of such monthly amounts for all members of any class (in the order of precedence stated above) entitled thereto, the annuity contracts purchased for such members of such class shall provide for the payment of such monthly amounts proportionately reduced.

12.10 Complete Plan Termination

In the event of complete termination of the Plan, all liabilities

to Pensioners, Employees and former Employees under the Plan shall be fully satisfied:

- (a) by the payment from the Pension Trust of such pensions as are required by this Article 12, or
- (b) in the event the Company shall elect to purchase annuity contracts for members of all of the first 6 classes as provided above, by the purchase from the Pension Trust of such annuity contracts as are required by this Article 12 in such event, or
- (c) in the event the Company shall elect to purchase annuity contracts for members of one or more but not all of such 6 classes as provided above, by the purchase from the Pension Trust of such annuity contracts, and by the payment from the Pension Trust of such pensions, as are required by this Article 12 in such event, or
- (d) in the event the Pension Trust shall be insufficient for the payment of all such pensions or the purchase of all such annuity contracts or both as are required by this Article 12, by the payment of such pensions or the purchase of such annuity contracts or both to or for the members of all of the 6 foregoing classes (in the order of precedence stated above) entitled thereto to the extent the Pension Trust is sufficient therefor.

12.11 Partial Plan Termination

In the event of partial termination of the Plan, the appropriate portion of the Pension Trust shall be allocated in accordance with the foregoing provisions of this Article 12 for the benefit of all Pensioners and Employees affected by such partial termination but without prejudice to the Pensioners and Employees not so affected.

Article 13 - General Provisions

13.01 Right to Discharge Employees

The Plan shall not be deemed to constitute a contract between the Company and any Employee or to be a

consideration for, or an inducement or condition of, the employment of any Employee. Nothing in the Plan shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the right of the Company to discharge any Employee at any time provided, however, that the foregoing shall not be deemed to modify the provisions of any collective bargaining agreements, which may be made by the Company with the bargaining representatives of any Employee.

13.02 Non-Alienation of Benefits

Except as may be permitted under the Pension Benefits Act and pursuant to a written domestic contract as defined in the Family Law Act, or a court order determining entitlements arising under the Family Law Act, and the requirement for the reduction in pension benefits to avoid revocation of registration, no benefits payable at any time under the Plan shall be subject in any manner to alienation, anticipation, sale, transfer, assignment, pledge, attachment or encumbrance of any kind and may not be given as security. Except as expressly provided in the foregoing sentence, any attempt to alienate, anticipate, sell, transfer, assign, pledge, attach, give as security, or otherwise encumber any such benefits, whether presently or hereafter payable, shall be void. No benefit shall in any manner be subject to the debts or liabilities of any Employee, Pensioner, Beneficiary, or contingent annuitant entitled to any benefit, nor shall the trustee be required to make any payment towards such debts or liability

13.03 Employee's Right to Benefit

No Employee prior to his retirement under conditions of eligibility for a pension under the Plan shall have any right or interest whatsoever in or to any portion of any funds which may be paid into the Pension Trust established pursuant to Article 11 hereof, and no Employee or Pensioner shall have any right to pension benefits hereunder, except to the extent provided in the Plan and provided the assets of such trust are sufficient to provide such benefits.

13.04 Cessation of Pension upon Re-Employment

The pension of any Pensioner shall cease as of the date of

rehire if he is re-employed by the Company, and shall resume the first of the month next following the month in which his subsequent retirement occurs but in no event later than the first of the month prior to his attainment of age 65. If such Pensioner is rehired before he attains age 65, his Continuous Service and Credited Service, for the purpose of his subsequent retirement, shall include the period of re-employment prior to age 65. The pension benefit is subject to the Regulations under the Income Tax Act.

13.05 Sale of Division or Branch

In the event of a sale or other disposition of any branch, division, or property of the Company, such sale or other disposition shall not be deemed to constitute an amendment to or termination of the Plan in whole or in part, and the amount in the Pension Trust then attributable to Employees of such branch, division or property who do not thereafter continue in the service of the Company shall be allocated or re-allocated, and pensions paid or annuity contracts purchased therefrom, to or for such Employees by the Company in the manner and the amounts provided in Article 12 hereof, provided, however, that if a pension plan for such Employees providing not less than the benefit provided by this Plan is to be established or continued by the acquiring corporation, then, at the option of the Company, the amounts so attributable to such Employees may be transferred on the order of the Company to the trust fund created by such acquiring corporation for the purpose of establishing or continuing its plan.

13.06 Transfers

If an Employee is transferred to a position with the Company in which he ceases to be an Employee within the meaning of Paragraph (i) of Article 1.01 hereof, he shall maintain his pension credits under the Plan and upon his subsequent retirement or termination of employment, be entitled to the benefits set out herein and based upon the benefit rate and his Continuous Service and Credited Service at date of transfer. Total service with the Company is to be used to count as Continuous Service, Plan membership and Credited Service in determining eligibility for a pension benefit excluding the supplementary pension benefit and the special allowance.

Notwithstanding the foregoing, if such Employee is subsequently re-transferred within the Company and again becomes an Employee within the meaning of this Plan, he will be re-admitted to active participation in the Plan and his Continuous Service and Credited Service up to the date of his original transfer will be reinstated, in lieu of his rights to the benefit described in the foregoing paragraph. Total service with the Company will again be used in determining his eligibility for a benefit. The pension benefit is subject to the Regulations under the Income Tax Act.

13.07 Transfer from Salaried Employment with Rockwell International Suspension Systems Company

In the case of an Employee who has been transferred from salaried employment with Rockwell International Suspension Systems Company, his Continuous Service and Credited Service under this Plan shall, however, include any period of service which is recognized as "credited service" for purposes of the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company.

Such total Credited Service shall be used in calculating the pension benefit payable under this Plan, reduced by the non-contributory benefit payable to the Employee under the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company. It is provided, however, that such reduction may only be applied to the pension accrued under this Plan for the period of Credited Service up to date of transfer. The benefit is subject to the Regulations under the Income Tax Act.

13.08 Transfer from Hourly Employment to Salaried Employment and Back to Hourly Employment

If an Employee who was a Member of this Plan and who transferred to salaried employment with the Company and participated in the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company and is subsequently re-transferred within the Company and again becomes an Employee within the meaning of this Plan, his Continuous Service and Credited

Service under this Plan shall include any period of service which is recognized as "continuous service" and "credited service" for purposes of the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company.

Such total Credited Service shall be used in calculating the pension benefit payable under this Plan, reduced by the non-contributory benefit payable to the Employee from the fund of the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company. It is provided, however, that such reduction may only be applied to the pension accrued under this Plan for the period of Credited Service from the original date of transfer to the Pension Plan for Non-Union Salaried Employees of Rockwell International Suspension Systems Company up to the date of transfer into this Plan. The benefit payable is subject to the Regulations under the Income Tax Act.

Article 14 - Construction

14.01 The Plan shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada.

14.02 The foregoing constitutes the Pension Plan for Hourly Employees of Rockwell International Suspension Systems Company - C.A.W. Locals No. 127 (Chatham, Ontario), No. 1067 (Milton, Ontario) and No. 35 (Chatham, Ontario).

MEMORANDUM OF SETTLEMENT

BETWEEN
MERITOR SUSPENSION
SYSTEMS COMPANY

AND

NATIONAL AUTOMOBILE,
AEROSPACE
TRANSPORTATION AND GENERAL
WORKERS UNION OF CANADA
(C.A.W. CANADA)

AND
ITS

LOCAL 35

March 15, 2001 - March 14, 2004

[Faint, illegible text, possibly a signature or stamp]

This memorandum constitutes amendments to the current collective agreement which expired March 14, 2001 and which amendments were negotiated as a basis of full and final settlement of all matters in dispute.

Collective agreement to be effective March 15, 2001 and to expire March 14, 2004

Except as set forth in this memorandum, all items to be effective as of date of Union ratification.

The parties agree to update all applicable letters of understanding (these are now in the collective agreement).

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ARTICLE 1- RECOGNITION

1.01 The company recognizes the National Union (CAW) as the sole collective bargaining agency for collective bargaining purposes for all office and clerical employees of Meritor Suspension Systems Company save and except supervisors, persons above the rank confidential secretaries to the plant manager, confidential secretaries to the controllers, nurse, salesmen, chief cost accountant, cost accountant and budget controller, purchasing agent, buyer, production planners, employees in the personnel department, students employed during the school vacation period, students employed on a university co-operative training program and persons regularly employed for not more than 24 hours per week.

1.02 The Company will prepare and electronically supply to the Union a list of its supervisors and their job titles. The Company will supply the Union with Office organization charts.

(a) All new positions created during the term of the Agreement shall be negotiated as to whether they should be included in the bargaining unit.

(b) An employee included in the bargaining unit shall not be transferred to a position excluded from the bargaining unit unless the employee concerned agrees to such transfer, The Union will be notified (in writing) no later than five days after such a transfer is made.

1.03 The Company recognizes a bargaining committee comprised of the Plant Chairperson and the Committee person.

ARTICLE 2 - RESERVATIONS TO MANAGEMENT

2.01 The Union recognizes that it is the function of the Company to hire, promote, demote, transfer, discipline, suspend, or discharge any employee for just cause, subject to such regulations and restrictions governing the exercise of these functions as are expressly provided in this Agreement and subject to the right of the employee concerned to lodge a grievance in the manner and to the extent herein provided.

2.02 The Union recognizes that it is the function of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities, and that the location of plants, the products to be manufactured or dealt with, the schedules of production and distribution, the methods, processes and means of manufacturing and dealing with such products are solely the responsibility of the Company.

2.03 The Company also has the right to make and alter from time to time, rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with the provision of this Agreement, Such rules and regulations shall be posted on the office bulletin boards.

ARTICLE 3 -WORK BY EXCLUDED PERSONNEL

Supervisors and excluded personnel are not eligible for membership in the Union, and shall not perform the regular work of an employee eligible for membership in the Union. However, such a supervisory employee may perform operations for the purpose of instruction; or for necessary work due to absence, vacation or disability. Any overtime work required due to the absence of an employee will be first offered to bargaining unit employees.

ARTICLE 4 • UNION SECURITY AND CHECK OFF OF UNION DUES

4.01 It is agreed by the parties that all present employees of the Company shall pay union dues as a condition of employment. All new employees hired shall, as a condition of employment, sign authorization cards to have deducted from their pay the monthly union dues or an equivalent sum, and shall, at the completion of the probationary period, have deducted from their pay the initiation fee, which will be checked off by the Company.

4.02 The amounts so deducted shall be such sums as may from time to time be assessed by the Union on its members in accordance with the Constitution and By- laws of the National Union and the local Union.

4.03 The Company agrees to forward to the Financial Secretary of the appropriate local Union by cheque each month, not later than the 10th day of the following month, the amount

deducted and also a list of the employees from whom the deductions were made and who were not checked off and the reason.

4.04 The Financial Secretary of the local Union will notify the Company of any change in the amount of Union dues, that may from time to time take place in line with constitutional requirements,

4.05 It is understood and agreed by the parties that the above check-off procedure does not compel the employee to become a member of the Union, nor does it compel the Company to discharge an employee if the employee is suspended or expelled from the Union under the National Constitution trial procedure.

ARTICLE 5 - UNION ACTIVITIES

5.01 The company will provide for the use of the Union, bulletin boards in the offices of the Company, to be prepared and located by agreement between local management and local office committee.

It is agreed that the use by the Union of such bulletin boards shall be restricted to the posting thereon only of such notices as shall have received prior approval of the Human Resources Manager of the Company, or his nominee. Such approval shall not be unreasonably withheld and such notices shall be restricted to those of the following types.

(a) Notices of Union elections, appointments and results of elections

(b) Notices of Union recreational, educational and social affairs.

(c) Committee Reports and notices of Union meetings.

5.02 The Union, its members, and/or its agents shall not, on Company time or at Company expense conduct or attempt to conduct Union activities except as herein expressly provided.

ARTICLE 6 - STRIKES AND LOCKOUTS

6.01 The Company and the Union agree to abide by the Ontario Labour Relations Act in regards to strikes and lockouts,

ARTICLE 7 - NON-DISCRIMINATION AND NON INTERFERENCE

7.01 The Company agrees that no employee shall in any manner be discriminated against, coerced, or restrained on account of membership or non- membership in any labour organization or by any activity or lack of activity in any labour organization. The Company further agrees that there shall be no discrimination against employees because of race, creed, colour, nationality, ancestry, age and sex, or place of origin as defined in the Ontario Human Rights Code.

7.02 The Union agrees it will not discriminate, coerce, or restrain any employee because of his /her membership or non membership, his / her activity or lack of activity in any labour organization.

ARTICLE 8 - REPRESENTATION

8.01 The Union may appoint or elect, and the Company shall recognize, not in excess of (2) two regular committee persons, and alternate members, one of whom shall be Chairperson of the Office Bargaining Committee. Zones will be mutually agreed upon by the parties.

8.02 Each committee person, at the time of his / her appointment or election, shall have at least twelve months' seniority with the Company. The Union shall notify the Company in writing the names of the committee person and alternates, the respective effective dates of their appointment, and the names, if any, of those former committee person whom they are replacing or discontinuing, and the name of the Chairperson of the Committee. The Union agrees to keep the list of these appointments up-to- date at all times.

8.03 The Chairperson will be employed on the day shift and the other committee person will be employed on the day shift if possible provided they are willing and able to perform the work available.

8.04 It is understood and agreed that committee person, as well as other employees, have regular duties to perform. Committee person, with their supervisor's consent, which will be

granted, shall be permitted during their working hours without loss of time or pay to leave their regular duties for a reasonable length of time to adjust and present grievances, At the time of their return to their regular duties they shall report again to their supervisor.

8.05 The Chairperson or committee person or alternate, shall be permitted to investigate appeals, including the investigation of the circumstances in connection with the original grievance as lodged.

8.06 Notwithstanding his/her seniority status, in the event of a layoff of employees, a committee person shall be continued at work when work is available in his / her zone, which he / she is willing and able to do with a reasonable period of instructions comparable to that of a new hire, to a maximum of (10) ten working days.

8.07 Notwithstanding his / her seniority status, in the event of a layoff of employees, the Chairperson of the Office Bargaining Committee shall be continued at work when work is available in the bargaining unit, which he / she is willing and able to do, with a reasonable period of instructions to a maximum of (10) ten working days.

8.08 In the event of overtime on a shift in which there is no union representation, the zone committee person may designate one of the working employees as Union representative for the period of overtime work required,

8.09 If the overtime to be worked is in excess of the amount which can be handled by the employee on whose desk the overtime is required then the committee person will be offered the work provided he / she is willing and able to do the work required.

If the committee person is unavailable, the other employees shall be asked in order of seniority in the particular zone provided such employee can do the work with minimal instruction.

ARTICLE 9 • GRIEVANCE PROCEDURE

9.01 No grievance shall be considered which usurps management's functions. However, it is the desire of the parties hereto that complaints of employees be adjusted as quickly as possible. If an employee has any complaint or question which might result in a written grievance, the employee and or union representative shall discuss the matter with the supervisor concerned.

9.02 An employee having complied with the above provisions who wishes to lodge a written grievance, shall be entitled to have the assistance of a union representative in preparing such grievance on forms supplied by the Company. The Union representative shall take it up with the supervisor, who shall give an answer in writing within three (3) regular working days of the presentation for the grievance. It shall be optional to the Company to decline to consider any grievance, the alleged circumstances of which occurred more than five working days prior to its presentation, except in the case of a grievance claiming failure on the part of the Company to give the required notice of recall, in which instance the period of time shall be ten (10) regular working days. Probationary employee are entitled to lodge a grievance in the same manner and to the same extent as regular employees, except with respect to their separation from employment.

9.03 Failing a satisfactory settlement of the grievance, the grievance may be appealed within three (3) regular working days from the supervisor's disposition above to the Human Resources Manager, to be taken up at a meeting between Management Representatives and the Union Bargaining Committee, which meeting will be held within five (5) days from receipt of the appeal of the grievance, or at a time mutually agreed upon between the parties, Unless otherwise agreed, Management shall render its decision in writing to the Chairperson of the Union Bargaining Committee within two (2) regular working days following the meeting.

9.04 (a) If the decision of Management is not satisfactory to the employee concerned, or the Union Bargaining Committee, the Chairperson of the Union Bargaining Committee may, by serving written notice within five (5) days of the date of which Management's decision was received, appeal therefrom to an

impartial umpire selected by the Company and the Union. If the Company and Union cannot agree within (5) regular working days on an umpire, the Minister of Labour of the Province of Ontario shall be requested to select one. The decision of the umpire shall be final and binding on both parties. The fees and expenses of the umpire shall be shared equally by the parties hereto.

9.04 (b) The parties recognize those rights to expedited Arbitration that exist under the Ontario Labour Relations Act.

9.05 Any difference arising directly between the Company and the Union involving the interpretation or alleged violation of this Agreement may be submitted in writing by either party, and shall be dealt with at the next meeting between Management and the Union Bargaining Committee. The decision of the Company or of the Union Bargaining Committee, as the case may be, with respect to such difference shall be rendered not later than five (5) regular working days after the holding of the meetings. Such matter may be referred by either party to arbitration in the same way as the grievance of an employee.

9.06 With the exception of the difference arising in 9.05, no matter may be submitted to an umpire which has not been properly carried through the steps outlined in 9.02, 9.03, and 9.04, and no person may be appointed as an umpire who has taken part in an attempt to negotiate or settle the grievance.

9.07 An employee with seniority, who is discharged, may present a grievance in writing through the Union Bargaining Committee to Management within three (3) regular working days of discharge and Management will review the grievance with the Committee, and render a decision within (3) regular working days after such review. If the decision of Management is not acceptable to the aggrieved, the grievance may be appealed to the umpire as herein provided

9.08 When a grievance which affects the rates of pay of an employee is settled in a manner which involves a change in rate, such change shall be limited retroactively up to, but not to exceed forty- five (45) calendar days prior to the date on which the grievance was first submitted in writing to the Company.

9.09 At any stage of the grievance procedure, including arbitration the Committee may have present any employee involved in the matter being negotiated.

9.10 Any office operation which is subject to review by an umpire under the provisions of this article may be viewed by a representative of the National Union on request made to the Company. Only one such review may be made, except by mutual agreement of the parties. The Human Resources Manager or his designated representative will accompany the representative on such view, which shall be conducted in a manner to minimize interference with the Company's office operations.

9.11 An umpire shall not alter, add to, subtract from, modify, or amend any part of this Agreement. The Umpire shall, however, in respect of a grievance involving the suspension or discharge of an employee, be entitled to modify or set aside such penalty, if, in the opinion of the umpire, it is just and equitable to do so.

9.12 The grievance procedure herein before prescribed shall apply to a grievance lodged by a group of employees, save that an appeal on a group grievance shall not be considered unless the majority of the employees signing the grievance sign each notice of appeal.

9.13 Failure of the Company to answer the grievance within the specified time limit, the grievance will automatically move to the next step of the grievance procedure.

9.14 Prior to referring the matter to arbitration, either party may request the services of an independent private mediator in order to hear the grievance. Both parties must agree to this procedure. The cost will be split evenly between the union and company. The recommendations of the third party are not binding nor permitted to be used in arbitration.

ARTICLE 10 -ADMINISTRATION OF DISCIPLINE

10.01 When an employee is called to an interview by a member of the staff of the Personnel Department or other company representative for the purpose of investigating alleged misconduct which may result in suspension or discharge of an employee, the Plant Chairperson or a committee person shall be present.

10.02 No warning shall be held against the record of any employee if written warning is not given to the employee within three (3) regular working days after discovery of the incident.

10.03 No such derogatory notation placed against the record of any employee shall be used for the purpose of taking further disciplinary action against him after a period of twelve (12) months has elapsed following the issuance of such notice. This expiry date will be entered on the disciplinary form.

ARTICLE 11 - MEETINGS

11.01 Under this agreement, regular meetings between the Union Bargaining Committee and the Management of the Company will be held monthly, provided the Union, or the Company, submit an agenda for such meetings, giving three (3) regular working days notice.

11.02 Emergency meetings - should any emergency arise, the Management or the Union may call a meeting between the parties at any time, provided it is possible to give a quorum of the Management and the Union Bargaining Committee a notice of the said meeting at least two hours before the time of the said meeting.

11.03 The CAW National representative of the T.O.P. Department may be present at any meetings. if requested to do so by the Union Bargaining Committee.

11.04 The company shall pay the Union Bargaining Chairperson and Committee person at their regular rate, overtime rate where applicable, for all time spent in meetings with the company held to negotiate wage or collective agreement adjustments and also for time spent at formal meetings between the parties.

ARTICLE 12 - THE FUNDAMENTAL RULES RESPECTING SENIORITY

12.01 The fundamental rules respecting seniority are designed to give employees an equitable measure of security. The seniority of an employee shall be considered on an office-wide basis in respect to promotions, transfers, demotions, layoffs and in recalling employees from layoff, provided the senior employee has the ability to do the work, and is willing to accept the assignment.

12.02 An employee who transferred out of the bargaining unit at any time prior to the effective date of this agreement, and who is thereafter transferred again to a position included in the bargaining unit shall return to the bargaining unit with a seniority date that represents the seniority accumulated prior to the effective date of transfer.

12.03 Employees who are members of the bargaining unit as of the date of signing of the collective agreement, and who are subsequently transferred to a position not subject to the terms of this Agreement, shall continue to accumulate seniority during the first three months of transfer for purposes of providing continuity of accumulation in case of return to the bargaining unit during the first three months. However, should the person not return to the bargaining unit by the end of the three months period, seniority shall be determined as of the date of transfer from the bargaining unit to the excluded position.

12.04 An employee transferred to a position included in the bargaining unit as provided above shall be transferred to the original department worked immediately prior to that transfer from the unit and shall displace the junior person in that department. If that department no longer exists or if the employee's seniority does not allow displacement of the junior employee in the department, seniority permitting, displace the junior employee in the office and shall enjoy seniority rights in all respects according to the provisions of this agreement.

12.05 Employees hired in positions outside the bargaining unit and subsequently transferred to positions within the bargaining unit shall enter the bargaining unit as new employees with no seniority credit.

ARTICLE 13 - ACQUISITION OF SENIORITY

13.01 (a) Upon completion of (60) sixty calendar days of employment within any period of twelve consecutive months, an employee shall be entitled to have their name placed on the seniority list, as of the date of hire.

13.01 (b) Employees will be regarded as probationary employees until they have acquired seniority as above provided. It is understood by the parties that the Company can discharge a

probationary employee provided the Company does not act in bad faith. It is understood that such standard is a lesser standard as contemplated by the Labour Relations Act.

13.02 The name of the employee shall appear on the seniority list as of the date of employment, provided that the date of employment of an employee, who shall have completed intermittent employment to the extent of (60) sixty calendar days within any period of 12 consecutive months, shall be considered to be the date (60) sixty calendar days prior to the date upon which such employee shall have attained seniority.

13.03 An employee shall be considered a probationary employee until their name is placed upon the seniority list, and as such shall not have any seniority rights.

13.04 Probationary Employees as defined in 13.01 and 13.02 are not entitled to lodge a grievance in respect to their separation of employment.

ARTICLE 14 - SENIORITY RIGHTS AND EMPLOYMENT
(TERMINATION) ARE SEVERED WHEN

14.01 An employee voluntarily leaves the Company's employ.

14.02 If any employee is discharged for a good cause, and is not subsequently reinstated under the provisions of the grievance procedure.

14.03 If any employee is absent from duties for more than five consecutive working days, and fails to inform the Company of a satisfactory reason, and fails to make arrangements to secure leave of absence. Exceptional cases may be given consideration.

14.04 Due to layoff because of no work for an employee on office-wide lists, a period of three (3) years or a period equal to the employee's length of service, whichever is greater, has elapsed since the employee last worked for the Company.

14.05 An employee, who has been laid off because of no work, leave of absence, furlough or any extension thereof and fails to report within a period of seven working days when recalled by registered mail to last known address, A copy of the letter shall

be given to the Union, This seven day period may be waived, providing a reasonable and satisfactory explanation is given for not reporting, but in every case, the employee must report within fifteen working days.

ARTICLE 15 - LAYOFFS AND RECALLS

When there is a reduction in the working force, the following procedure shall be used:

15.01 Probationary employees throughout the office shall be laid off first.

15.02 (1) Probationary and temporary employees in the classification affected will be laid off providing the seniority employee who displaces the probationary or temporary employee has the ability to perform the duties of the employee displaced.

(2) The junior employee in the classification affected shall displace a junior employee in the same salary grade.

(3) In the event that the affected employee is unable to displace an employee as provided in (2) above that employee shall displace a more junior employee in a salary grade which is one salary grade below the grade of the present classification held by the affected employee.

(4) In the event the affected employee is unable to displace an employee as provided in (2) above that employee shall displace a junior employee in the salary grade which is two grades below the salary grade held by the affected employee or failing that, shall displace a junior employee in the successively lower salary grades.

(5) In the event the affected employee is unable to displace an employee as provided in (4) above, that employee shall displace an employee in the office unit having the least seniority.

(6) In the event the affected employee is unable to displace an employee as provided in (5) above that employee will be laid off.

15.03 A list of employees to be laid off will be made available to the Union Bargaining Committee Chairman or designate, and the employees informed of layoff at least ten (10) regular working days prior to the layoff becoming effective, or alternately, the Company will pay the employees laid off 10 days salary, in lieu of such notice, or salary for the period of the layoff whichever is the lesser.

15.04 When there is an increase in the work force after a layoff, employees will be recalled by seniority providing they have the ability to do the work and are willing to accept the assignment.

15.05 In all such cases, employees displacing more junior employees must be able to perform the work with a reasonable period of instruction, comparable to that of a new hire, to a maximum of ten (10) regular working days. This ten (10) day period may be extended by mutual agreement.

15.06 Management of the Company before undertaking an indefinite layoff of seniority employees, will meet with the Union Bargaining Committee to discuss the general aspect of such Layoff. Such meeting will take place prior to announcement of the Layoff effective date.

ARTICLE 16 - SENIORITY LISTS

16.01 Seniority lists shall be maintained by the Company on an office-wide basis showing the employee's name and seniority date of each employee covered by this Agreement.

16.02 The Company shall electronically supply revised seniority lists. A copy of the seniority list as posted shall be supplied to each committee member. The lists so supplied shall include the names of seniority employees then on layoff.

ARTICLE 17 - JOB POSTING

Posting of jobs within the bargaining unit shall be carried out in accordance with the following principles:

17.01 (a) It is understood that notice of vacancies will be posted on the bulletin boards for two consecutive regular working days, and permanent appointments to such vacancies will not be made before the expiry of the two day period. Each notice of vacancy

shall contain a description of the requirements of the posted position and salary grade, and whenever possible, identify the vacancy to be filled. A copy of each such notice shall be supplied to the committeeman of the jurisdiction in which the vacancy has occurred.

(b) Interviews of all applicants will be made on the third working day following the occurrence of all vacancies and the successful applicant will be named at that time by means of a letter from the Human Resources Manager to the Unit Chairperson and successful applicant. The successful applicant will receive the appropriate rate upon notification, and will move to the new position within ten (10) days.

17.03 Probationary employees shall not be eligible for job postings. If no applicants post to the existing vacancy, then probationary employees shall be considered before a new hire is obtained.

17.04 All applicants submitted under the provisions of this article shall remain valid for a period of sixty days after the vacancy has been posted and thereafter shall be null and void.

17.05 The Union Bargaining Committee Chairperson shall be advised of the name of any successful applicant for a posted vacancy.

17.06 The Company may refuse to consider an application from any employee who has successfully bid on a previous vacancy within the preceding six (6) months, unless the job is new or in a higher salary group.

17.07 If there is no applicant with the prerequisite merit and ability, the Company may take such other steps as it deems necessary to fill the vacancy by a new hire.

17.08 Where a temporary vacancy caused by the absence of an employee is anticipated to last over one month, the Company and the Union will discuss the filling of that particular vacancy by transferring a qualified employee before any temporary employee is hired.

ARTICLE 18 - HOURS OF WORK

18.01 The regular work week will be thirty-seven and a half (37 1/2) hours, to be worked at the rate of 7 1/2 hours per day, Monday through Friday. However, this is not to be construed as a guarantee of full employment.

18.02 The Company grants all employees two (2) ten (10) minute rest periods, during each scheduled shift.

ARTICLE 19 - OVERTIME

19.01 Time and one-half will be paid for all authorized time worked in excess of seven and one-half hours per day.

19.02 Time and one-half will be paid for all authorized time worked on Saturdays.

19.03 Double time will be paid for all authorized time worked on Sundays and Holidays.

19.04 When overtime is scheduled in the office, it shall be performed by the employee on whose desk the overtime is required. Where the Company has given at least forty-eight (48) hours notice of overtime to employees (and such notice will also be given to the committee person concerned) no employee may refuse to accept the overtime assignment except for compelling and legitimate personal reasons (which shall be tendered to the Company at the time of advice of the assignment) or the employee would have completed 45 hours of work during that week. An overtime assignment posted on the bulletin board will not be construed as acceptance of the assignment by the employee.

Where forty-eight (48) hours notice is not given the overtime will be on a voluntary basis but will nevertheless be charged with time worked as though worked.

19.05 The committee person, or during absence the alternate, when available will be informed of all overtime to be worked in their area but no later than 24 hours.

ARTICLE 20 EMERGENCY WORK CALL - IN PAY

20.01 When an employee has completed their regular shift, and left the plant, and is requested by the Company to return to work

before their next regular shift to do emergency work such employee will be allowed to go home after any emergency work for which called, or which occurred after any emergency work for which called, or which occurred after arrival, is finished and shall be paid at the applicable overtime rate for hours worked, or three hours at the applicable overtime rate, whichever is the greater.

20.02 Should such an assignment be declined by the employee upon whose desk the work would fall, the assignment will next be offered to the committee person from that zone. Should the committee person decline to accept such assignment it will be offered to the remaining employees in the zone in order of seniority.

ARTICLE 21 - SHIFT PREMIUMS

21.01 An employee shall be paid a premium in addition, to the regular salary rate for working the afternoon shift and a premium in addition to the regular salary rate for working the midnight shift. The afternoon shift shall be known as the No. 3 shift. Overtime will not be paid on the shift premium

21.02 The following premiums shall apply:

Aft.	Night
\$,50	\$,55

ARTICLE 22 - RELOCATION ALLOWANCES

22.01 An employee whose seniority is transferred between plants of the Company pursuant to this Article will be paid a relocation allowance provided.

(i) The plant to which the employee is to be relocated is at least eighty (80) kilometers from the plant which seniority was transferred, and

(ii) As a result of such relocation changes permanent residence, and

(iii) The employee makes application within twelve (12) months after commencement of employment at the plant to which relocated in accordance with the procedure established by the Company.

22.02 The amount of relocation allowance will be determined as follows:

Kilometers Between Plant Locations	Employees
80 - 159	\$ 1470
160 - 479	\$ 1620
480 - 799	\$ 1700
800 - 1599	\$ 2010
1600 or more	\$ 2310

22.03 In the event of an employee who is eligible to receive a relocation allowance under these provisions also eligible to receive a relocation allowance or its equivalent under any present or future federal or provincial legislation, the amount of relocation allowance provided under this article when added to the amount of relocation allowance provided by such legislation shall not exceed the maximum amount of the relocation allowance the employee is eligible to receive under the provisions of this paragraph.

22.04 Only one relocation allowance will be paid where more than one member of a family living in the same residence are relocated pursuant to this Article.

22.05 Where plants or operations are being closed or relocated, and the Canada Manpower Relocation program applies, the Company and the Union agree to co-operate in implementing all available aid through the program, and the limitation of Article 22.03 shall not apply in such case.

ARTICLE 23 - HOLIDAY PAY PLAN

23.01 No employee covered by this agreement shall have salary reduced by reason of observance of the holidays as set out in Clause 23.02.

Employees in the bargaining unit will qualify for the holidays as set out in Clause 23.02 provided they satisfy the eligibility requirements as set out in Clause 23.03. The only exception shall be under 23.03. (b) Where the normal qualifying periods (60 calendar days) shall apply to the beginning and ending of a series of consecutive holidays as set out in 23.02.

23.02 (a) The following holidays shall apply for the period March 15, 2001 to March 14, 2004.

(a) The following holidays will apply for the period March 15, 2001 to March 14, 2002:

Good Friday	April 13, 2001
Easter Monday	April 16, 2001
Friday before Victoria Day	May 18, 2001
Victoria Day	May 21, 2001
Canada Day	July 2, 2001
Civic Day	August 6, 2001
Friday before Labour Day	August 31, 2001
Labour Day	September 3, 2001
Thanksgiving Day	October 8, 2001
Christmas Holiday Period	December 24, 2001
	December 25, 2001
	December 26, 2001
	December 27, 2001
	December 28, 2001
	December 31, 2001
	January 1, 2002
	January 2, 2002

(b) The following holidays will apply for the period March 15, 2002 to March 14, 2003:

Good Friday	March 29, 2002
Easter Monday	April 1, 2002
Friday before Victoria Day	May 17, 2002
Victoria Day	May 20, 2002
Canada Day	July 1, 2002
Civic Day	August 5, 2002
Friday before Labour Day	August 30, 2002
Labour Day	September 2, 2002
Thanksgiving Day	October 14, 2002
Christmas Holiday Period	December 23, 2002
	December 24, 2002
	December 25, 2002
	December 26, 2002
	December 27, 2002
	December 30, 2002
	December 31, 2002
	January 1, 2003
	January 2, 2003

(c) The following holidays will apply for the period March 15, 2003 to March 14, 2004:

Good Friday	April 18, 2003
Easter Monday	April 21, 2003
Friday before Victoria Day	May 16, 2003
Victoria Day	May 19, 2003
Canada Day	July 4, 2003
Civic Day	August 4, 2003
Friday before Labour Day	August 29, 2003
Labour Day	September 1, 2003
Thanksgiving Day	October 13, 2003
Christmas Holiday Period	December 24, 2003
	December 25, 2003
	December 26, 2003
	December 29, 2003
	December 30, 2003
	December 31, 2003
	January 1, 2004
	January 2, 2004

23.03 (a) In order to qualify under the provisions of Clause 23.01 the employee must work the last scheduled working day prior to and the first scheduled working day immediately following the holiday, or furnish the Company with satisfactory reason for not working.

(b) For an employee who has been laid off such day must be, within twenty (20) regular working days of the day of the holiday, and for an employee who is on approved sick leave or authorized leave of absence, this must have been within sixty (60) calendar days of the day of holiday. Premium paid days shall not be recognized as a scheduled working day for the purpose of qualifying for a paid holiday under this sub-section (b).

(c) For each Christmas Holiday period, the employee must have worked on the last scheduled work day prior to each holiday period and on the next scheduled work day after each holiday period except for absences for approved sick leave or authorized leave of absence or Workmen's Compensation. Failure to work on either the last scheduled work day prior to or on the next scheduled work day after each Christmas Holiday period will disqualify the employee for pay for the two holidays in the

Christmas Holiday period which follow or precede such scheduled work day, however, the employee shall be eligible for the remaining holidays of the Christmas period.

23.04 If the observance of the above holidays falls on a Saturday or Sunday, employees shall be paid for such holiday at their regular salary, or the Company will designate the working day on which the holiday will be observe, and this will be either the working day immediately prior to or following the day of the holiday; but in any case an employee may be given consideration to be granted another day off in lieu.

23.05 Whenever an employee is required to work on the day of observance of any of the holidays mentioned in Clause 23.02 they shall be paid double time for all authorized time worked on such day of observance, and provided they qualify under 23.03, the regular salary, which they would receive for the day of observance of the holiday.

23.06 Employees who have accepted such holiday work assignment and then fail to report and perform such work, without reasonable cause acceptable to the Company, shall not receive pay for the holiday, with the exception of the Christmas Holiday period series covered in paragraph 23.03(c) above.

23.07 If one of the above holidays is observed by the Company on a normal working day (Monday through Friday inclusive) during an employee's vacation, the employee shall be entitled to an extra day of vacation, to be taken immediately prior to or following his / her regular vacation, or at some other time upon agreement with his /her supervisor.

23.08 Holiday pay will not be compounded by any salaried continuance (regular pay portion) benefit.

ARTICLE 24 • VACATION WITH PAY PLAN

24.01 As of June 30th of each year employees on the active payroll will be granted annual vacation with pay in accordance with the following provisions:

PAY PERCENTAGE OF

LENGTH OF SENIORITY AS OF JUNE 30TH	VACATION PERIOD	PRECEDING 12 MONTHS ENDING DEC. 31ST	BONUS
25 OR MORE YEARS	5 WEEKS	10% .	\$110
20 OR MORE YEARS	5 WEEKS	10% *	
15 OR MORE YEARS	4 WEEKS	8%* + \$200 payment	
10 OR MORE YEARS	4 WEEKS	8% *	
5 OR MORE YEARS	3 WEEKS	6% *	
3 OR MORE YEARS	2 1/2 WEEKS	5% *	
1 OR MORE YEARS	2 WEEKS	4% .	
LESS THAN 1 YEAR	1 DAY/MONTH	4% .	
	WORKED UP TO MAX OF 10		

* % OF LASTYEARS GROSS OR CURRENT RATE WHICHEVER IS GREATER.

As of March 15, 2002

PAY PERCENTAGE OF

LENGTH OF SENIORITY AS OF JUNE BOTH	VACATION PERIOD	PRECEDING 12 MONTHS ENDING DEC. 31ST	BONUS
25 OR MORE YEARS	5 WEEKS	10%* + \$200	
20 OR MORE YEARS	5 WEEKS	10%* + \$200	
15 OR MORE YEARS	4 WEEKS	8%* + \$200 payment	
10 OR MORE YEARS	4 WEEKS	8% . + \$200	
5 OR MORE YEARS	3 WEEKS	6%* + \$200	
3 OR MORE YEARS	2 1/2 WEEKS	5% *	
1 OR MORE YEARS	2 WEEKS	4%* + \$200	
LESS THAN 1 YEAR	1 DAY/MONTH	4%* + \$200	
	WORKED UP TO MAX OF 10		

* % OF LAST YEARS GROSS OR CURRENT RATE WHICHEVER IS GREATER.

24.02 If an employee will have completed the above periods of continuous service in the calendar year, and vacation eligibility date falling within the calendar year, that employee will be considered entitled to the above annual vacation with pay as of that employee's anniversary date of the same calendar year. However, the time of such additional vacation period will be at the discretion of the Company and should be taken during the current vacation year.

24.03 If requested, the Company agrees to pay the employee by cheque an amount equivalent to vacation pay immediately prior to the employee taking the annual vacation, and will deduct this from subsequent cheque or cheques,

24.04 Vacation pay for any employee on the active payroll as of June 30th of each year, who leaves the employ of the Company during the current vacation year for any reason shall be entitled to pay in lieu of unused vacation as outlined in 24.01.

24.05 This vacation with pay plan is subject to the provisions of the "Employment Standards Act" (Ontario), wherever such provisions provide greater benefits than this plan,

24.06 It is the desire of the Company that all employees must take their vacation whenever arrangements can be made by the Company. The time of the vacation period or periods will be at the discretion of the company, but vacations shall be taken during the current vacation year.

24.07 Employees in receipt of L.T.D. payments as of June 30th who have not worked during the preceding 12 months (ending June 30th) will not be eligible to receive vacation pay.

24.08 Any eligible employee requesting vacation during the months of June, July, August (ending Labour Day Week) will be granted such request up to two consecutive weeks according to seniority.

ARTICLE 25 - GROUP INSURANCE AND HEALTH CARE BENEFITS

25.01 The Company agrees to provide to all employees covered by this Agreement the following Health Care Benefits.

A. Family Dental Program - Effective March 1, 2001

Establish a comprehensive payment plan of family dental care services with a carrier providing for a full range of preventive, diagnostic treatment and restorative services, as outlined in the "Supplemental Agreement" for an Insurance Program, Section II"

B. Vision Care - Effective March 1, 2001

A vision care benefit was introduced providing for payment of cost of eyeglasses for employees and their dependents, as outlined in the Supplemental Agreement, Insurance Program Section II.

25.02 The Company at its sole expense will grant the semi-private Supplemental Plan of the Ontario Hospital Association and the Ontario Hospital Services Plan to all employees, other than probationary employees and to either eligible dependents as defined in the said plans.

25.03 (a) The Company at its sole expense will grant the medical plan of the Ontario Health Services Insurance Plan to all employees, other than probationary employees, and to their eligible dependents as defined in the Supplemental Agreement Section II.

(b) The Company at its sole expense will provide extended health care, including nursing home and prosthetic appliance to all employees, other than probationary, and their eligible dependents as defined in the Supplemental Agreement Section II.

25.04 The Company at its sole expense will pay the entire costs of the benefits mentioned in 25.01, 25.02, and 25.03 but in case of legislative or other causes resulting in a decrease in premiums the credit shall flow to the Company provided the coverage would not be lessened.

25.05 The Company at its sole expense will grant Green Shield Plan Generic Substitution \$1.00 co-pay amount for employees for such prescription, to all employees, other than probationary employees, and to their eligible dependents as defined in the said plan,

Supplemental Agreement Section II

25.06 In case of leave of absence due to sickness or accident the plans will be continued by the Company for the benefit of such employees and dependents for a period of twelve (12) months. The company will review individual cases that exceed the twelve month period.

25.07 The benefits will be in accordance with each of the said plans in force from time to time without exception,

25.08 In case of absence due to leave to absence for any reason other than sickness or accident, or while suspended or laid off, these plans will be continued at the sole expense of the Company to the end of the month next following the month in which the layoff occurs, as follows:

SENIORITY	MONTHS SETTLEMENT
Less than 1 year	0
1 but less than 2 years	2 months
2 but less than 3 years	4 months
3 but less than 4 years	6 months
4 but less than 5 years	8 months
5 but less than 6 years	10 months
6 years and over	12 months

Continue group insurance coverage during normal pregnancy / parental leave of absence as required by Employment Standards Legislation.

25.09 The Company will provide reimbursement at the current mileage rate per kilometer for a worker who travels more than 20 kilometers to an impartial Doctor for an exam to certify disability.

25.10 Extend OHIP, Semi-Private, Life Insurance, and A.D.&D Benefits for employees with 10 or more years of seniority, who are laid off on or after March 15, 2001, for a period of six (6) months beyond the current Company coverage.

ARTICLE 26 - GROUP INSURANCE BENEFITS

26.01 Group Insurance Benefits available to the employees covered by this agreement are as follows:

Term Life Insurance and A.D. and D.

Effective March 1, 2001	\$49,000
Effective March 1, 2002	\$50,000
Effective March 1, 2003	\$51,000

The terms and conditions set forth in the terms of the insurance policies shall determine the eligibility for any such payments; and the Company will pay the full cost of the coverage outlined above.

26.02 The company will provide a program for employees paid optional Dependent Life Insurance with coverage for spouse and children. The rates will be based on employee age. This program will be effective August 1, 1981.

ARTICLE 27 - LEAVE OF ABSENCE

27.01 Upon application to the Human Resources Manager, leave of absence may be granted to an employee on the seniority list, without affecting seniority, for a period of not more than thirty (30) days to look after personal business. Such personal business shall not include taking other employment.

27.02 Upon application to the Human Resources Manager, leave of absence shall be granted to an employee on the seniority list, without affecting his / her seniority, for reasons of sickness, or accident. It is agreed that in the case of extended leave due to sickness or accident the Company will have the right to have the employee produce medical evidence in support of such leave.

27.03 Employees elected or appointed to positions in the Union may leave the plant on Union business when arrangements are made as far in advance as possible with the Human Resources Manager, such permission not to be unreasonably withheld.

27.04 An employee elected or appointed to a position with the Union shall, upon application and with at least thirty (30) days notice, be granted leave of absence for a period of one year. Such leave will be renewed from year to year upon application to the Employment Office. In the event of such leave of absence, the Company will be under no obligation for payments on behalf of such employees for Life Insurance, Weekly Indemnity, Ontario Hospital Services Plan, Ontario Hospital Insurance Plan or other fringe benefits. However, pension credits shall continue to accumulate in accordance with the provisions of the Pension Plan,

27.05 A leave of absence for pregnancy will be granted to an employee with more than one (1) year seniority as per the Employment Standards Act.

27.06 The Union Bargaining Committee person shall be notified by the Company in writing of each leave of absence.

27.07 Pension Board of Administration - The Company agrees to pay for the time lost from work of any employee who is appointed to the Pension Board of Administration, while said employee is attending authorized pension Board meetings.

27.08 A person returning from a leave of absence shall return to their prior job.

27.09 PAID EDUCATION LEAVE - The Company agrees to pay into a special fund fifteen dollars (\$15.00) for each employee actively employed as of the last Friday of each June, September, December, and March during the period beginning March 15, 2001 through March 14, 2004 for the purpose of providing paid education leave for members of the Bargaining Unit, selected by the Union, to attend courses to upgrade skills in all aspects of Trade Union functions, Such monies will be paid on a quarterly basis commencing in January, 1981 into a trust fund established by the national Union, CAW and sent by the Company to the CAW Leadership Training Program 205 Placer Court, Toronto Ontario M2H 3H9. It was further agreed that selectees will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees will continue to accrue seniority and benefits while on leave.

27.10 Employees who have acquired seniority of one (1) or more years who desire to further their education may make application for the purpose. One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve (12) months, Additional leaves of absence may be granted, by mutual agreement between the Company and the Union. Approval of such leaves of absence shall be conditional upon the following.

(1) Sufficient prior notice is given to the Company in writing.

(2) The Company is provided with evidence of acceptance into a formal education program.

(3) The Company reserves the right to limit the number of such leaves.

(4) Company paid benefits shall cease for this period. The employee may elect to continue fringe benefits at own expense.

(5) Employee may not apply for Company Paid Education Assistance Plan during this period.

(6) Employee will be returned to their regular job if available.

ARTICLE 28 - JURY SERVICE

28.01 An employee who has been summoned or subpoenaed to serve as a juror in any court of law including a coroner jury, within the residing county, or summoned or subpoenaed as a witness, shall be paid the difference if any, between the amount paid for services as a juror and the regular salary received.

ARTICLE 29 - BEREAVEMENT LEAVE

29.01 The Company agrees to compensate employees for three (3) consecutive working days absence within a seven- day period ending with and including the second day following the date of the funeral at their regular, non- premium rate of pay in the case of death of a mother (or step-mother), father (or step-father), brother, sister, mother-in law or father-in-law, brother-in-law or sister-in-law, grandmother or grandfather, grandchildren, grandparents, daughter-in-law and son-in-law of the employees current spouse and five (5) consecutive working days absence within a seven day period for the death of a current spouse, child (or step child).

Grandparents shall include great grandparents and step-grandparents, It is understood that the employee would have been otherwise scheduled to work the day(s) in question and attended the funeral. The requirement to attend the funeral shall be deemed to be met if the employee attends a specific memorial service whether or not the employee cannot attend the funeral, on request, be granted one day compassionate leave. Employees shall be eligible for bereavement leave and pay during periods of vacation provided all other requirements of this paragraph are met. This leave will be taken immediately following such vacation period.

ARTICLE 30 - CREDIT UNION

30.01 Where a Credit Union is established for the employees of the Company, the Company shall, when authorized by an employee, make payroll deductions to the Credit Union. However, it is understood and agreed between the parties that all such deductions shall be made in accordance with the following provisions.

(a) The deductions shall be made for the purpose of Credit Union savings and shall be a minimum of One Dollar (\$1.00) and multiples thereof.

(b) The employee shall authorize the Company to make such deductions on forms to be supplied by the Credit Union.

(c) Changes in the amount of deductions authorized by the employee shall only be made quarterly beginning with the effective date of the Agreement, and the employee shall notify the Company one pay period prior to the pay period commencing each quarter, and will sign a new authorization form stating the amount to be deducted.

(d) The Company will forward to the Credit Union by cheque once each week the amounts checked off from each employee, which has been authorized, together with a list of those employees from whom such deductions were made.

ARTICLE 31 -WEEKLY PAY

31.01 All office employees shall be paid by cheque weekly in a sealed envelope. Where possible the Company will issue all cheques / stubs on Thursday, optional electronic transfer of cheques / stubs effective March 1,2001.

ARTICLE 32 - NATIONAL SERVICE

32.01 In the event of any National mobilization program enacted by the Federal Government pursuant to the War Measures Act, the Company will recognize for employees ordered into such National Service, such of the last Friday of each June, September, December, and march during service as service with the Company for pensions and seniority purposes. Such commitment on the part of the Company shall cease with the termination of such service or of the emergency period, whichever occurs first, and in no event, shall there be any duplication of benefits provided by the Federal Government.

ARTICLE 33 - SALARY CONTINUATION DURING PERIODS OF SICK LEAVE AND ACCIDENT

33.01 The Company agrees to pay the cost, and will provide a sick leave program for salaried employees subject to the qualification of continuous service, according to the following schedule:

LENGTH OF SERVICE	BENEFIT	
	FULL PAY	66 2/3 PAY
Less than 3 months	NIL	NIL
3 months but less than 1 year	1 week	25 weeks
1 year but less than 2 years	2 weeks	24 weeks
2 years but less than 3 years	3 weeks	23 weeks
3 years but less than 4 years	4 weeks	22 weeks
4 years but less than 5 years	5 weeks	21 weeks
5 years but less than 6 years	6 weeks	20 weeks
6 years but less than 7 years	7 weeks	19 weeks
7 years but less than 8 years	8 weeks	18 weeks
8 years but less than 9 years	9 weeks	17 weeks
9 years but less than 10 years	10 weeks	16 weeks
10 years and over	26 weeks	NIL

All U.I.C. premium credits resulting from the Weekly Indemnity Plan being qualified under the regulations at U.I.C. will flow solely to the Company.

33.02 All eligible employees, with two years seniority, shall, subject to the conditions therein, have the benefits of and participate in the present Long Term Salary Continuance Plan, which will be maintained during the life of the agreement at no cost to the employee.

33.03 An employee on leave of absence for pregnancy does not qualify for benefits under Clauses 33.01 and 33.

ARTICLE 34 - PENSION

34.01 The company agrees to establish for the office employees the CAW - Master Hourly Pension Program, with the Long Term Salary Continuance Plan as outlined in Clause 33.02 being substituted for the Disability Retirement Section of the Pension Plan.

34.02 Those employees who have credited service under the Salaried Pension Plan will have such credited service frozen in the Salaried Pension Plan.

34.03 No matter in respect to Pensions shall be subject to the grievance procedure, but shall be determined under the provisions of the above plans.

ARTICLE 35 SALARY GROUPS AND PROGRESSION APPLICATIONS

35.01 Each employee covered by this Agreement shall be classified under the job title appropriate to their occupation. The Company agrees to supply the Union with the Job Description for each classification shown in the Agreement, together with descriptions for all new and revised classifications.

35.02 In order to implement the automatic progression system, all employees who have worked in a classification for the required time to receive the maximum rate for the job, and are not receiving the maximum rate, will immediately be paid the maximum rate. In no case will any increase be granted after the maximum rate has been reached.

Employees who have worked less than the time required to receive the maximum rate, will be slotted into the progression system consistent with their service in the classification, and will be paid the rate applicable for such time on the job.

35.03 Rates on Promotion • an employee promoted (throughposting or otherwise) to a job in a higher wage group shall receive.

(a) Where the starting rate of the new job is higher than the employees former rate, the starting rate begins immediately.

(b) where the starting rate of the new job is equal to or lower than the employee's rate before promotion, an increase to the next higher rate in that grade shall be made.

35.04 The automatic progression system for the term of the Agreement is outlined in Schedules A, B, C, respectively which are attached hereto and are part of this Agreement, The schedules become effective as follows:

Schedules effective as per dates listed in Schedules A, A, B, C.

ARTICLE 36 - NEW OR REVISED CLASSIFICATIONS

36.01 Prior to the establishment of a new or revised classification, the Company shall discuss with the Union the occupational summary of the job and the grouping to which it has been assigned (including a new grouping which may be established). It is agreed that all rates so established or assigned must be consistent with the existing wage schedule. In order to provide for appeal against a new or revised classification or its grouping, the following procedure will be used.

(a) The Union shall lodge the appeal in writing to the Human Resources Manager or nominee.

(b) The appeal shall outline the reason or reasons for disputing the description and the classification grouping and these shall be the only subject of appeal.

(c) Failing a satisfactory disposition of the appeal, either party may refer the matter to arbitration, as provided in the agreement.

ARTICLE 37 - SALARY RATES AND CLASSIFICATIONS

37.01 The job classifications and salary rates in the office shall be attached to and be part of, the Agreement.

37.02 The following wage increases expressed in cents per hour shall be effective upon the dates shown and applied to the salary rates as set out in Salary Progression Schedules A, B, C.

March 15, 2001	\$.45 per hour
March 15, 2002	\$.45 per hour
March 15, 2003	\$.50 per hour

ARTICLE 38 - COST OF LIVING ALLOWANCE

38.01 Each employee covered by this Agreement shall receive a Cost of Living Allowance in accordance with the provisions of the master C.O.L.A. Agreement.

ARTICLE 39 HEALTH AND SAFETY

39.01 The company agrees to continue to make reasonable provision for the health and safety of its employees.

39.02 The Company will supply protective equipment or protective clothing, where such clothing or protective equipment is not normally purchased by the employee for his / her job.

39.03 No employee shall be required to operate or use any machine, that is not in safe working order.

39.04 All employees must wear foot protection where necessary either in the form of safety shoes or protective toe caps. In consideration of the above, the Company will subsidize the purchase of one pair of shoes per contract year per employee up to a maximum, as outlined in the Master, (The employee must purchase shoes to qualify for the subsidy.)

39.05 The Union Chairperson may accompany the Joint Health and Safety Committee on monthly inspections of the offices.

ARTICLE 40 -TERMINATION

40.01 This Agreement shall continue in effect until the 14th day of March 2004 and unless either party gives notice in writing to the other that amendments are required, or that the party intends terminating agreement, then it shall continue in effect until the 14th day of March, 2005

40.02 Notices that amendments are required, or that either party intends terminating the Agreement must be submitted within three (3) calendar months prior to the 14th day of March 2004 or of any year thereafter.

40.03 The parties hereto agree to meet for the purpose of negotiations within fifteen (15) days after the submission of such notice, and if as a result of such negotiations the parties fail to negotiate a new agreement or modification of the present Agreement prior to the 14th of March following the day of such notice, then this agreement shall be terminated on that 14th of March. The terms and conditions of this Agreement may be extended by mutual consent with a view to reaching final agreement.

40.04 It is understood that during negotiations, following upon notice of termination or notice of amendment, either party may bring forward counter proposals arising out of or related to the original proposals.

Duly executed by the parties hereto this March 14, 2001

For the Company	For the Union
C. M. Johnston	R. Tope
P. J. Brennan	S. L. Satchell
	R. Jenner Nat Rep.

SALARY PROGRESSION - SCHEDULE A
EFFECTIVE MARCH 15, 2001
LENGTH OF CONTINUOUS SERVICE IN CLASSIFICATION
AND
CORRESPONDING PROGRESSION POSITION
WITH WEEKLY SALARY RATE

GROUP	85%	90%	95%	100%
		3 MOS	12 MOS	18 MOS
1	\$631.45	\$668.59	\$705.74	\$742.88
2	\$640.37	\$678.04	\$715.71	\$753.38
3	\$648.87	\$687.04	\$725.21	\$763.38
4	\$661.62	\$700.54	\$739.46	\$778.38
5	\$673.52	\$713.14	\$752.76	\$792.38
6	\$683.72	\$723.94	\$764.16	\$804.38
7	\$692.22	\$732.94	\$773.66	\$814.38

SALARY PROGRESSION - SCHEDULE B
EFFECTIVE MARCH 15, 2002
LENGTH OF CONTINUOUS SERVICE IN CLASSIFICATION
AND
CORRESPONDING PROGRESSION POSITION
WITH WEEKLY SALARY RATE

GROUP	85%	90%	95%	100%
		3 MOS	12 MOS	18 MOS
1	\$645.79	\$683.78	\$721.77	759.76
2	\$654.72	\$693.23	\$731.74	770.26
3	\$663.22	\$702.23	\$741.24	780.26
4	\$675.97	\$715.73	\$755.49	795.26
5	\$687.87	\$728.33	\$768.79	809.26
6	\$698.07	\$739.13	\$780.19	821.26
7	\$706.57	\$748.13	\$789.69	831.26

SALARY PROGRESSION - SCHEDULE C
 EFFECTIVE MARCH 15, 2003
 LENGTH OF CONTINUOUS SERVICE IN CLASSIFICATION
 AND
 CORRESPONDING PROGRESSION POSITION
 WITH WEEKLY SALARY RATE

GROUP	85%	90%	95%	100%
		3 MOS	12 MOS	18 MOS
1	\$661.73	\$700.65	\$739.58	778.51
2	\$670.65	\$710.10	\$749.55	789.01
3	\$679.15	\$719.10	\$759.05	799.01
4	\$691.90	\$732.60	\$773.30	814.01
5	\$703.80	\$745.20	\$786.60	828.01
6	\$714.00	\$756.00	\$798.00	840.01
7	\$722.50	\$765.00	\$807.50	850.01

SCHEDULE 'D' Group Classifications

Group	Classifications
1	Clerk Typist General Clerk
2.	Switchboard & Receptionist Cost Clerk No. 2 Order Clerk No. 2 Inventory Records Clerk No. 2 Key Batch operator
3	Secretary Stenographer Customs Clerk No. 2 Order Clerk No. 1 Time Clerk
4	Timekeeper No. 1 Laboratory Technician No. 1 Specifications Clerk Customs Clerk No. 1 Accounting Clerk Accounts Receivable Clerk Cycle Checker Purchasing Clerk

- 5 Maintenance Stores Clerk
Shipping Receiving & Inventory Clerk
Cost Clerk No. 1
Drafting Clerk No. 1
Inventor/ Records Clerk No. 1

- 6 Expediter
Follow up Person
Traffic & Material Control Clerk
In Process Shop Scheduling Clerk
Stores Clerk
CMM Quality Technician

- 7 Cost Accountant
Master Scheduling Clerk



No. 1

R. Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Minutes Of Meetings

In regard to your discussion on reports of meetings the Company agrees to supply the Chairman of the Office Union Committee with a copy of the minutes of all meetings held between the parties, as soon as possible, following each meeting(s).

Yours truly,

C. M. Johnston
Human Resources Manager



No. 2

Mr. R. Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Educational Assistance

The Company agrees that during the life time of the current agreement, all eligible employees shall, subject to the conditions therein, have the benefit of, or the opportunity, to participate in the Company Employee Educational Assistance Plan which from time to time may be instituted and amended by the Company.

Yours sincerely

C. M. Johnston
Human Resources Manager



No. 3

Mr. R. Tope,
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Motor Vehicle Violation

The Company will grant leave of absence without pay not exceeding one hundred and eighty (180) days to an employee for the time served for of imprisonment imposed as a result of conviction arising from the operation or use of a motor vehicle.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 4

Mr. R. Jenner
National Representative
Canadian Region - CAW
Chatham, Ontario

Dear Mr. Jenner:

SUBJECT Local 35 Master Representation

In the negotiations resulting in this Agreement, the parties discussed the inclusion of Local Union No. 35, Chatham Office and Clerical Employees, in this Master Agreement. It was agreed that, although Local No 35 is not part of this Master Agreement, the Chairperson of Local 35 Office Union will be eligible to participate in future meetings and negotiations between the Master Negotiating Committee of the Union and the Company.

Sincerely

G. E. Strickland
Regional Director Human Resources



No. 5

Mr. R. Jenner
National Representative
CAW
St. Clair St.
Chatham, Ontario

Dear Mr. Jenner:

SUBJECT: Local 35 Representatives

The parties agree to increase the regular Committee person from 2 to 3 when the number of active employees in Local 35 reaches twenty (20) or more.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 6

Mr. R. Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Contracting Out

The issue of outside contracting was extensively discussed during the 2001 negotiations.

The Company agrees not to contract out work which is currently being performed by Local 35 members and where such contracting out could result in the direct layoff or delay the recall of the Local 35 member.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 7

Mr. Robert Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT Technological Changes

The parties discussed, during the 1998 negotiations, the impact of technological changes in the office bargaining unit. The Company has had a policy to train and upgrade people as their jobs change.

The Company agrees that when technological changes or other automation occurs in the office process in Chatham, and such changes affect the content of jobs held by bargaining unit personnel; the Company shall endeavour to train the effected individual(s) prior to going to the outside to hire a capable individual.

The training required may be internal on the job, or external training at a supplier or training specialist location.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 8

Mr. Robert Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Substance Abuse

In the event a formal Employee Substance Abuse Program is formed for the Chatham location, Local 35 members shall be included in this program.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 9

Mr. R. Tope
Chairperson
Local 35 CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT Emergency Call In

The intent of this language in the Local 35 Agreement is that if an employee is requested to return after the regular shift for a shipment, etc., even though it was known about prior to end of shift, it will be considered an emergency and call in pay will be allowed.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 10

Mr. R. Tope
Chairperson
Local 35 - CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Temporary Job Vacancies

During the 1998 negotiations the parties discussed the filling of temporary job vacancies. It is recognized that some jobs require particular job skills. In the selection of a suitable replacement the parties will not be held to the normal provisions of the Collective Agreement but will mutually agree on a replacement taking into account the skills required and the length of time anticipated. Persons employed for the vacancy will be hired under the Group Rate and will not acquire seniority. Union dues will be deducted accordingly.

It is agreed that there will be a ninety (90) calendar day limit on all temporary job vacancies, and after such time the temporary position shall become full time and the incumbent will be a member of local 35, with seniority being the original hire date. This ninety (90) calendar day period may be extended by mutual agreement.

Yours truly,

C. M. Johnston
Human Resources Manager



No.11

Mr. R. Tope
Chairperson
Local 35 CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Benefits

Miscellaneous revised benefits were negotiated during the 2001 Collective (Master) Agreement and apply to Local 35 with the the exception of SUB and Weekly Indemnity / EDB.

Yours truly,

C. M. Johnston
Human Resources Manager



No. 12

Mr. R. Tope
Chairperson
Local 35 CAW
Chatham, Ontario

Dear Mr. Tope:

SUBJECT: Summer Students/Weekend Labour Pool

(April 15 through September 30)

Summer student and weekend labour pool will be administered
as per the Master Agreement,

Yours truly,

C. M. Johnston
Human Resources Manager