

# **COLLECTIVE AGREEMENT**

between

BUDD CANADA INC.

and

THE NATIONAL AUTOMOBILE AEROSPACE  
TRANSPORTATION AND GENERAL WORKERS  
UNION OF CANADA (CAW)  
AND ITS LOCAL 1451

APRIL 22, 2000

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This Agreement is made the **22nd** day of April, **2000** between **Budd Canada Inc.**, herein called the "Company", and The National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW) and its Local 1451, herein called the "Union."

#### PURPOSE OF AGREEMENT

The Company and the Union agree that their relationship is one of mutual respect and responsibility and the purpose of this Agreement is to maintain harmonious relations between the parties and to facilitate orderly adjustment to grievances, complaints, and disputes, which may arise from time to time between the Company and the Union. This Agreement is entered into in consideration of the mutual performance thereof in good faith by the parties.

#### PREAMBLE

**The objective of Budd Canada Inc. plant located in Kitchener, Ontario, Canada is to operate a cost effective assembly plant which provides outstanding service to our customers through a high quality product, just in time delivery, and responsiveness to their needs.**

**We intend to achieve high levels of productivity through the effective utilization and integration of people, materials, customers, and suppliers, with dignity and respect.**

**Our commitment of excellence requires the active involvement of all our employees and a safe work environment which emphasizes trust, employee and organizational growth and development.**

## PREFACE

It is the policy of the Company and the C.A.W. that the provisions of this Agreement be applied to all employees covered by this Agreement without regard to race, colour, age, sex, national origin, marital status, political or union affiliation, creed, sexual orientation or disability.

## ARTICLE I RECOGNITION

**1.01** The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all its employees in its plant(s) in the Regional Municipality of Waterloo, Ontario, save and except supervisor, all those above the rank of supervisor, office and plant clerical and technical personnel, engineering department personnel, medical department staff, sales staff and security guards, in the determination of rates and pay, wages, hours of work and all other working conditions.

The jobs as defined in Appendix "A" which is part of this Agreement, shall constitute the bargaining unit. Should any dispute arise due to change of an existing classification, or introduction of new classification by the Company, the Union will have the right to grieve such action by the Company, such grievance to commence at Step III of the grievance procedure.

**1.02** Any person outside the bargaining unit shall not be permitted to perform work normally performed by an employee in the bargaining unit except

- a) in an emergency
- b) in the instruction and training of employees.

If a supervisor develops a continuing course of conduct contrary to the intent of this article and Union complaints continue, the matter will be given special attention at Step III by appropriate management officials.

ARTICLE II  
MANAGEMENT RIGHTS

**2.01** The Union recognizes the right of the Company to hire, promote, transfer, demote, retire under the provisions of the Pension Plan and lay off employees and to suspend, discharge, or otherwise discipline employees for just cause subject to the right of any employee to lodge a grievance in the manner and to the extent as herein provided.

**2.02** The Union further recognizes the right of the Company to operate and manage its business in all respects, to maintain order and efficiency in its plants, and to determine the location of its plants, the products to be manufactured, the scheduling of its production and its methods, processes, and means of manufacturing.

**2.03** The Union further acknowledges that the Company has the right to make and alter, from time to time, rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement. Any changes to these rules and regulations will be meaningfully discussed with the Bargaining Committee before publication.

**2.04** Nothing in this Agreement shall be deemed to restrict the Management in any way in the performance of all functions of management except those specifically abridged or modified by the Agreement.

**2.05** The Company agrees that its management rights shall not be exercised in a manner inconsistent with the terms of this Agreement.

ARTICLE III  
STRIKES, STOPPAGES AND LOCKOUTS

**3.01** The parties hereto agree that there shall be no strikes or lockouts during the life of this Agreement. The words "strikes" and "lockouts" as used herein, are agreed to have the meanings defined for these words in the Ontario Labour Relations Act.

**ARTICLE IV  
UNION SECURITY AND CHECK-OFF**

**4.01** All employees who are members of the Union as of the date of this Agreement, will be required to continue to be members of the Union as a condition of employment,

**4.02** Any employee who is hired after the date of this Agreement, will sign an authorization form provided by the Union, at the time of hire, and shall become a member of the Union and will be required to continue to be a member of the Union as a condition of employment.

**4.03**

- a) The Company will deduct from the pay of each employee who is a member of the Union, the initiation fee, monthly dues and other assessments authorized by the constitution of the Union. Such Union dues to be deducted after an employee has worked forty (40) hours in any one (1) month, or received pay equivalent to forty (40) hours worked.
- b) Bonuses and profit sharing will be subject to dues as they are considered regular pay under the constitution,
- c) The Union will advise the Company in writing of any changes to existing deductions two (2) weeks prior to the first full pay period of the month in which the change is effective.
- d) Employee dues payable on the basis of Supplemental Unemployment Benefits will be deducted from the employee's subsequent S.U.B. payment or the employee's next regular pay, whichever comes first.
- e) Union dues will be voluntarily deducted from monthly benefits payable to a retired employee at a rate of one dollar (\$1.00) per month.

#### 4.04

- a) A list of the total number of seniority employees along with all **sums** deducted as above, shall be remitted by the Company to the Financial Secretary of the Local Union by the 15th of the month following the end of the month in which the deductions were made.
- b) The list will contain the employee's name, badge number, along with the amount of such deductions and the reason, if any, why no deductions were made from certain employees. This list will also indicate any seniority employee terminated, transferred out of the Bargaining Unit, on layoff, leave of absence, or died.
- c) The Financial Secretary of the Local Union shall notify the Company in writing of corrections to be made to sums deducted.
- d) The following lists will be sent by mail to the Financial Secretary to the Local Union hall:
  - (i) Three (3) lists showing the employee's name, badge number, address, postal code, telephone number and social insurance number, monthly.
  - (ii) Three (3) alphabetical lists, monthly.
  - (iii) Master name word list, weekly.
  - (iv) Termination list, weekly.
  - (v) Weekly Indemnity and **Workplace Safety and Insurance Board**.

**4.05** The recording in the books of the Company of the amounts so deducted shall constitute such amounts as monies held by the Company in trust for the Union.

**4.06** Any dispute as to an alleged breach of the provisions of this article or as to the interpretation of any of the terms or conditions thereof, shall be dealt with under the grievance procedure beginning at Step III.

**4.07** Unless prohibited by the law, the Company agrees to include on an employee's T-4 slip for income tax purposes, the total union dues paid for the year excluding any initiation fees.

**4.08** The Union shall indemnify and save the Company and the Trustee of the Budd-CAW Supplemental Unemployment Benefit Plan Fund harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this article or in reliance on any list, notice or assignment furnished under any of such provisions.

**4.09** The following procedure will be applied for the payment and reimbursement of employees on authorized Union Leaves of Absence:

- (i) The President of C.A.W. Local 1451 or his/her designated representative will authorize Union leaves of absence to be paid by the Company on behalf of the Local Union on a form supplied by the Company.
- (ii) The Company will bill C.A.W. Local 1451 on a monthly basis for reimbursement of all monies paid to employees authorized for such leaves. Vacation pay and any contributions paid by the Company on earnings paid to employees (i.e. C.P.P., U.I.C., etc.) will be included in the monthly billings.
- (iii) All billings are payable by the C.A.W. Local 1451 to Budd Canada Inc. upon receipt.

An employee on a leave of absence authorized as above, will be paid for his/her lost time at his prevailing hourly rate, plus all applicable premiums (i.e. Cola, Shift, etc.). Any monies

received by an employee under the terms of this Agreement, will not be included in the calculation of **his/her** prevailing hourly rate, or S.U.B. Fund, Pension Plan and Paid Education Fund contributions.

- (iv) Should C.A.W. Local 1451 be unable to comply with the terms of this Agreement with respect to reimbursing the Company for monies owing, the Company shall reserve the right to terminate this Agreement.

## **ARTICLE V UNION REPRESENTATION**

### **5.01 PLANT CHAIRPERSON**

- a) The Company agrees to recognize a fulltime Plant Chairperson to be elected or appointed plant-wide.
- b) The Plant Chairperson will be allowed the fulltime of **his/her** shift for the purpose of facilitating orderly adjustments to any grievances, complaints, or disputes which may arise from time to time between the Company and the Union.
- c) The Plant Chairperson will be paid at the rate of the highest paid skilled classification plus twenty-five cents (\$.25) per hour.
- d) The Plant Chairperson shall lose no seniority in **his/her** former job or classification and shall be returned to that classification upon returning from office. **He/she** will be Subject to the provisions outlined in Article VIII.

### **5.02 COMMITTEEPERSONS**

- a) The Company agrees to recognize five (5) Committeepersons as outlined in Appendix "B".
- b) The Committeepersons will be allowed the fulltime of their shift for the purpose of facilitating orderly adjustments to any grievances, complaints, or disputes which may arise from

time to time between the Company and the Union.

- c) The Committeepersons will be paid at the rate of the highest paid skilled classification plus fifteen cents (\$.15) per hour.
- d) The Committeepersons shall lose no seniority in their former job or classification(s) and shall be returned to that classification(s) upon returning from office. They will be subject to the provisions outlined in Article VIII.

**5.03 STEWARDS**

- a) The Company agrees to representation by Stewards as outlined in Appendix "B".
- b) A Steward will be allowed time off during **his/her shift** to attend to his duties, as such, in accordance with the following:

<b>Workforce Levels</b>	<b>Steward Representation and Time Off</b>
1 - 50	1 at 4 hours per day
51 - 75	1 at 5 hours per day
76 - 100	1 at 6 hours per day
101 - 125	1 at 7 hours per day
126 - 175	1 at 8 hours per day
176 - 200	1 at fulltime and 1 at 4 hours per day etc.

For the purpose of determining **workforce** levels, the two (2) week shift change schedule will determine the permitted Union representation.

- c) In accordance with the above schedule of hours, Stewards will be paid at their applicable prevailing hourly rate while participating in in-plant Union business.
- d) Each Steward will report to his immediate Supervisor at the beginning of his shift.



#### **5.04 CHIEF STEWARD**

The Company agrees to recognize one (1) Steward who will function as Chief Steward on each "B" Shift and the "C" shift respectively. It is understood that the Chief Steward may represent a Committeeperson on "B" and "C" shifts.

#### **5.05**

- (a) The Chairperson and the Committeepersons will constitute the Bargaining Committee for the purpose of meeting with management including contract negotiations.
- (b) The President of the Local Union will be entitled to be present at all meetings with management, including contract negotiations.

#### **5.06**

The Company will supply the Union with office space, desks, tables, chairs, telephones, filing cabinets, **computers, and printers** on Company premises, as mutually agreed upon.

#### **5.07 UNION ELECTIONS**

- a) The election of Union representatives shall be held on Company premises and shall be in conformity with this Contract providing the Company has been notified in advance of any such elections. The elections may not be held on Company time. Locations to be agreed upon by the parties.
- b) During the life of the Collective Agreement, the Company will pay the nine (9) members of the Local Union election committee for time lost from their work at their prevailing hourly rate plus COLA and shift premium where applicable, to a maximum of eight (8) hours per **person** for polling purposes only, in order to conduct one (1) Executive Board and one (1) Bargaining Committee election.

#### **5.08**

Union representatives will adhere to the following procedure: **He/she** requests and receives permission from **his/her** Supervisor or **his/her** designated representative to leave **his/her** work. Such

permission will not be unreasonably withheld. The Union recognizes that cases may occur where the Company may need a reasonable period of time to provide a replacement.

**5.09** Union officers will be paid for all time lost from their work at their prevailing hourly rate, except as specified elsewhere in this article, while participating in in-plant Union business and for all meetings with the Company including Step IV of the grievance procedure for the Plant Chairperson and the Committeeperson involved and for all meetings with the Company for the purpose of contract negotiations.

**5.10**

The Plant Chairperson or any Member of the Bargaining Committee or his/her designate, shall arrange in advance with the Labour Relations Manager or his/her designate for all meetings not specified in the grievance procedure.

**5.11**

- a) The Company will grant, upon request from the Plant Chairperson (or any member of the Bargaining Committee in the Plant Chairperson's absence), or the President of the Local Union, permission for Union representatives to leave the plant on Union business, without pay, providing such request is made in writing at least one (1) day in advance, to the Labour Relations Manager or **his/her** designate. It is understood that the above will never exceed a maximum of fifty (50) employees at any one time and whenever possible no more than ten per cent (10%) of the total active employees from any single department.
- b) The Union may designate an alternate who will function in the absence from the plant for each Union Representative. Notice of such alternate shall be given in writing by the Plant Chairperson or his designate to the Labour Relations Manager or his designate before such alternate functions. There shall be no duplication of payment in the case of a Union Representative being absent from the plant, except for contract negotiations, in which case alternates will function in the

absence of the Representative but will not themselves be replaced by alternates.

No alternates will be authorized for the Union President, Chairperson, Committeepersons, W.C.B., and Benefit Representatives for prime vacation periods or casual absences of less than one week.

The Safety Representative will be replaced while absent for vacation of one or more weeks during the prime vacation period provided a press line or assembly module is scheduled to work. The replacement must be a certified member of the Joint Health and Safety Committee established in Article 17.01. If Committee members are schedule to work during such period the senior employee will be appointed. If no committee member is scheduled to work the senior person not working will be appointed.

His privilege to leave his job is limited to the handling of safety matters relating to or arising from the work during the Safety Representative's absence, on behalf of employees working during such absences

- c) When time is required during the regular shift to attend to Union business related to in-plant problems at the Local Union Office, Members of the Bargaining Committee, Benefits Representative, Workers' Compensation, and Safety Chairperson will advise the Labour Relations Manager or his designate, prior to leaving Company premises.

#### **5.12**

- a) The Plant Chairperson **and** Bargaining Committee **will be on the steady "A" day shift.**
- b) Executive Board and Chairperson of Election, Education and Recreation Committee of the Local Union, will be retained on day shift as long as work which **he/she** can perform is available.

The provisions with respect to rotating shifts and steady days sometimes requires the Company to retain an extra person on a job to retain a Union Official on steady days. The parties agreed that the extra person could be assigned to any job in **his/her** classification provided **he/she** will not be assigned outside **his/her** department so long as there are extra persons working in **his/her** department.

**5.13** Time Study Representatives will only be allowed time off their job at the request of any Member of the Bargaining Committee on the "A" shift and at the request of any Steward on the "B" or "C" shifts, and is subject to the provisions of Article 5.08.

## **ARTICLE VI GRIEVANCE PROCEDURE**

**6.01** Any request by an employee to discuss a complaint or grievance with **his/her** Union Representative, will be granted promptly without undue delay after the employee has advised **his/her** Supervisor of **his/her** complaint or grievance.

Any grievance alleging violation, misinterpretation or misapplication of the terms of this Agreement relating to the rates of pay, wages, hours of work, or any other working conditions, shall promptly be taken up orally by the employee and **his/her** Union Representative with the employee's immediate Supervisor in an office. The complaint will be discussed in detail and any witnesses, if necessary, will be present at the request of either parties.

If the grievance or complaint is not resolved at this Step, the employee will be granted a reasonable period of time to discuss or file a grievance in the Union Office.

### **6.02 STEP I**

If no agreement is reached at the time, the Steward will present the grievance in writing to the Supervisor on the form provided by the Company. Where possible, all grievances shall specify the

Article or Section(s) of the Agreement which are claimed to have been violated. The Supervisor will date and initial the grievance.

The Supervisor involved, or **his/her** designate, shall render the answer with an explanation on the grievance, personally to the Steward involved, or **his/her** designate, within two (2) working days after the conclusion of the presentation of the grievance to **him/her**.

#### **6.03 STEP II**

If no agreement is recorded by the Supervisor and the Steward or Union Representative, the grievance shall be taken up in an office within two (2) working days with:

- a) The Department Head or **his/her** designate
- b) The Supervisor
- c) The Griever
- d) The Steward
- e) The Committeeperson
- f) The Industrial Relations Representative, if necessary
- g) Witness(es) if necessary, at the request of either party.

The Department Head will review the grievance and render **his/her** decision within two (2) working days after the meeting to the Committeeperson involved or **his/her** designate.

#### **6.04 STEP III**

If no agreement is reached with the appropriate Department Head, the Chairperson or designate may appeal the grievance to the Labour Relations Manager or **his/her** designate not later than five (5) working days after the Department Head's disposition in the second step. The grievance will then be discussed at a meeting arranged between the Bargaining Committee and Management Committee and will include the appropriate Department Head(s). Such meeting will be held every two (2) weeks or more frequently as agreed upon. An agenda will be submitted by the Union forty-eight (48) hours prior to the scheduled meeting date, excluding Saturday and Sunday.

Within five (5) working days after such meeting, the Labour Relations Manager or **his/her** designate representative shall give a written answer to the grievance personally to the Chairperson or **his/her** designate. The Company agrees that the Labour Relations Manager, or his/her designate will be available for consultation with any member of the Bargaining Committee at any reasonable time.

**6.05 STEP IV**

Any grievance not satisfactorily settled at Step III, may be appealed to an impartial umpire within thirty (30) working days of receipt by the Union of the written decision of the Company provided for in Step III. If the parties fail to agree to the selection of an umpire within ten (10) days after receipt by the Company of notice to appeal, then the parties agree to forthwith request the Labour Management Commission for the Province of Ontario to appoint an umpire.

**6.06** The impartial umpire shall not have the right to alter, amend, add to, subtract from or eliminate any of the terms and provisions of this Agreement except as otherwise provided herein. The decision of the umpire shall be final and binding upon the parties.

**6.07** The expenses of the umpire shall be shared equally between the parties.

**6.08** Representative(s) of the National Union may be present at any meeting with Management at the Union's request.

**6.09** The Union may withdraw, without precedent or prejudice to any other case, a grievance which has been referred to any step of the grievance procedure, and the Company may settle without precedent or prejudice to any other case, a grievance which has been referred to any step of the grievance procedure.

**6.10** Any grievance not carried to the next step by the aggrieved party within the time limits prescribed herein or within such extensions as may have been agreed to in writing, shall auto-

matically be settled on the basis of the last decision given on the grievance form.

**6.11** It is agreed and understood that all grievances shall be filed within seven (7) working days of the alleged violations of the Agreement and no claim, including claim for back wages, whether for an employee covered by this Agreement or by the Union against the Company, shall be valid for any period prior to the date the claim was first filed in writing, unless the circumstances of the case made it impossible for the employee or the Union, as the case may be, to know that **he/she** or the Union had grounds for such claim prior to that date, in which case the claim shall be limited retroactively to a period of fifteen (15) days prior to the date the claim was first filed in writing.

**6.12** The Plant Chairperson or **his/her** designate will have the right to file a policy grievance with the Labour Relations Manager or **his/her** designate. A Policy grievance is defined and limited to one which alleges a misinterpretation or violation of a provision of this Agreement, and which could not otherwise be resolved at a lower step of the grievance procedure because of the nature and scope of the subject matter of the grievance. Such grievance will be referred to grievance procedure commencing at Step III and shall be dealt with at a special meeting to be arranged by the parties but in any event no later than two (2) weeks following the date the grievance was filed unless extended by mutual agreement.

When a policy grievance claiming redress has been upheld, the Company will be required to pay redress subject to the provisions of Article 6.11.

**6.13** Group grievances will be processed in the normal manner commencing at Step I and will be signed by two (2) or more affected employees.

**6.14** The Union hereby agrees the Company has the right to file a grievance against the Union. Such grievance to commence at Step III.

**6.15** Up to and including Step III, no employee will suffer a loss of earnings due to time spent on the grievance procedure. This will also apply to one (1) grievor being paid eight (8.0) hours per day to attend Step IV of the grievance procedure.

## **ARTICLE VII DISCIPLINARY ACTION**

**7.01** Any employee who is to receive a written warning, suspension or discharge shall be removed from **his/her** work station and taken to an office by the conclusion of the shift following the shift on which the offence occurred. **He/she** may, if he so desires, request and obtain the presence of **his/her** Steward to represent **him/her** during such an interview. During such interview, the employee will be advised of the offence committed.

**7.02** Following a full investigation of the details, the Supervisor will advise the Employee and the Steward of the penalty to be imposed on the third shift following the one on which the offence occurred.

The Company agrees that when it intends to issue 7.02 to an Employee, he/she will be taken to an office.

**7.03** However, 7.02 shall not apply when the alleged violation may endanger the safety of **himself/herself** or other employees or be of such a nature that it would be inadvisable to retain the Employee in the plant.

**7.04** Any suspended or discharged Employee who maintains that he/she has been unjustly dealt with shall have the right to have **his/her** case reviewed by the Labour Relations Manager or **his/her** designate and the Bargaining Committee provided that a written grievance is filed with the Labour Relations Manager or **his/her** designate within five (5) working days after **his/her** discharge or suspension.



Prior to the hearing outlined above and subsequent to the submission of a grievance, the Plant Chairperson or a Member of the Bargaining Committee shall review the factors relative to the case with the Supervisor initiating the disciplinary action. Such hearing to be held within two (2) working days of the receipt of said grievance unless extensions are mutually agreed upon.

**7.05** At such hearing, the Labour Relations Manager or his/her designate shall advise the Bargaining Committee of the incident upon which the Company's action is based. The Supervisor and witnesses will be present at the request of either party. The Griever shall then provide the Labour Relations Manager or **his/her** designate with **his/her** explanation of the incident and his/her actions. After due consideration of all involved facts, the Labour Relations Manager or **his/her** designate may

- a) Confirm the Company's action in dismissing or disciplining the Employee, or
- b) Reduce or eliminate the penalty.

The Union will be advised of the outcome within three (3) working days after the conclusion of the hearing.

**7.06** Upon receipt of the Company's decision by the Union, the Union will have the right to proceed to Step IV of the grievance procedure.

**7.07** An Employee and **his/her** Steward will be tendered a copy of any warning, suspension, or discharge at the implementation of 7.02 which will state the dates of the penalty to be served. In the event of group discipline involving suspensions of five (5) or more Employees, the Supervisor(s) will inform the Employees and Union Representative(s) in writing in an office of the date(s) of any penalties to be served within five (5) working days following 7.02. Any suspension will be served within sixty (60) working days of the offence.

Any Employee absent for unrelated reasons on the dates **he/she** is scheduled to serve a suspension may have such suspension

rescheduled by his/her Supervisor within the above sixty (60) day period. A warning or suspension notice will remain in effect not to exceed **twelve (12)** months from the date of violation. Once a warning or suspension has expired, then other related offences will be reduced in status accordingly, six (6) months following the date of expiry. Outdated disciplinary notices will be returned to an Employee upon request.

**7.08** It is mutually agreed that the Arbitrator shall have the right to modify penalties in suspension and discharge cases only.

## **ARTICLE VIII SENIORITY**

### **8.01 PROBATIONARY EMPLOYEES**

Employees shall be regarded as probationary employees until they have worked fifty (50) accumulated days in any twelve (12) month period. After fifty (50) accumulated days employment within a (12) month period as provided above, the names of such employees shall be placed on the seniority lists for their respective seniority groups as of the first date of hiring during such twelve (12) month period.

#### **HIRING RATES:**

New skilled trade employees hired/rehired on or after the effective date of this Agreement shall be hired at a rate not less than 85% of the rate of the classification to which they are assigned during the first fifty (50) days of active employment.

New non-skilled employees hired/rehired on or after the effective date of this agreement shall be paid at 85% of the rate of the classification to which they are assigned during the first nine (9) months of active employment after which they will be paid at 92.5% of the rate of the classification for an additional nine (9) months. Following eighteen months of active employment, employees will be paid at full rate of their classification.

Prevailing hourly rates for newly hired employees will be adjusted to eliminate the reductions upon attaining nine (9) months or eighteen (18) months, whichever is applicable.

**8.02**

- a) The dismissal of a probationary employee shall not be the subject of a grievance unless the reason for **his/her** dismissal was based on race, colour, sex, sexual orientation, creed, national origin, Political or Union activity. This shall not prevent **him/her** from lodging a grievance on working conditions.
- b) A probationary employee who maintains **he/she** has been unjustly terminated, shall have the right to have **his/her** case reviewed by the Labour Relations Manager or **his/her** designate with **his/her** Committeeperson present.

**8.03** When two (2) or more employees start to work on the same date, they are placed in badge number order on the seniority list.

**8.04** Four (4) master seniority lists of all employees in the Bargaining Unit will be furnished to the local Union every thirty (30) days. For the purpose of Union elections, four (4) copies of the master and departmental seniority lists will be supplied to the Union provided advance notice of one (1) week is given to the Company.

**8.05** The Company will post and update its departmental seniority lists for each department every thirty (30) days and will forward three (3) copies to the Union. This list will indicate each employee's badge number, name, classification, department, seniority group and the Company seniority.

The term "seniority" shall be defined as that status of the employee based upon **his/her** established unbroken length of service with the Company from the date of last hiring by the Company.

**8.06** Seniority shall be by line and/or job ownership, area, departmental classification, classification, group and on a plant-wide basis as established and agreed upon by the Union and the Company in accordance with the provisions of this Article as outlined in Appendix "C".

No new employee shall be hired while applicants with seniority and ability to do the work required are still on the laid off list except where the Company sets up a training program with the intent to train employees in preparation to go into regular production lines with an increased workforce for model changeover. The Company will have fifteen (15) working days to accomplish the above before laid off employees may exercise their seniority rights.

**8.07 TRANSFER**

Transfers are movements of seniority employees through job posting, layoff or recall. Employees will claim seniority immediately for the purpose of layoff or additional job posting in the new group.

**8.08** When employees are transferred from a production or non production seniority group into the skilled seniority group, they may remain in the new group holding in that group only the seniority acquired therein, or they may transfer back into the previous group holding their previous seniority in that group. Article 15.08 will apply unless the employee makes **his/her** intentions known on a form provided by the Personnel Department which will be given to the employee on **his/her** last day worked in **his/her** trade. This election must be made within five (5) working days from the date of **his/her** layoff.

**8.09 ASSIGNMENT**

An assignment is a movement of a seniority employee within **his/her** seniority group or to another seniority group. Should an employee be assigned by the Company while there is work on **his/her** previous job, in any case where an employee is assigned and replaced by another employee, **he/she** will be paid **his/her** prevailing hourly rate, the rate of the job to which he is assigned,

or the rate of the job he was assigned from, whichever is the greater of the three (3).

Such assignment may be for up to four (4) days work in succession or extensions by mutual agreement. Upon completion of the period of assignment, the employee so affected shall return to **his/her** previous job.

The employee so assigned in the above procedure, will not be reassigned in order to circumvent the four (4) day provision referred to above. Such assignments will be made in a just and fair manner and should any dispute arise from such assignment, it will be taken up immediately by the Stewart and Committeeperson in the area with the General Supervisor concerned.

Stewards will not be assigned while there is work on their job or within their classification.

When an employee in an indirect classification, except Skilled Trades, is required to work in another area other than that which **he/she** normally works, **he** and **his/her** Union Steward will be given an explanation if he so requests.

#### **8.10 JOB POSTING**

All vacancies will be posted as follows for each case for a period of forty-eight (48) hours excluding Saturdays, Sundays and holidays. Factors to be considered in applying this section will be seniority and ability.

- a) The Company shall post the vacancy immediately in the seniority group affected, and all employees within the seniority group will be allowed to bid. If there are no successful bids submitted, the job will then be posted as outlined in (c) below.
- b) The vacancy resulting from the successful bidding as outlined in (a) above, will be posted in the seniority group and only employees within the seniority group will be allowed to bid.

- c) The vacancy which remains unfilled in the seniority group as referred to in (b), will then be posted on all plant bulletin boards, and any interested employee in the plant may apply for the job. If there are no successful bids submitted, the job will then be filled as outlined in (e) below.
- d) The vacancy which remains unfilled on a plant-wide basis, as referred to in (c), will then be posted on all plant bulletin boards, and any interested employee in the plant may apply for the job.
- e) The vacancy which remains open as referred to in (c) or (d) may be filled by any new hire, except to fill those jobs referred to in item (k) below. These jobs will be filled by senior applicants in (d) above who will be given twenty-four (24.0) hours training prior to required tests. A new hire will be advised of his/her paypoint job ownership (where applicable) within fifty (50) accumulated work days of the date he/she is hired. Job posting applications will be available in the waiting room of the Medical Centre and the Security Guard exit office on all shifts. After completing the application, employees will have them validated with a time stamp.
  - (i) on "A" shift, in the Personnel Department
  - (ii) on "A", "B" or "C" shift, at the Security Guard exit office  
**at Gate 1.**

Prior to filling any job vacancy which remains open in (c) or (d) by new hires, the Union will be notified of the vacancy and it will be reposted upon written request submitted no later than noon of the following shift on which the notice was given.

The provisions as contained in the above sentence, will not result in any more than one additional posting.

- f) All postings (a) through (e) above, will show the time and date of posting and will be delivered personally to the Plant Chairperson or his/her designate at the time of posting and

will be posted between 8:30 a.m. to 4:00 p.m. Jobs posted on the Friday of a shift change weekend, will be extended from forty-eight (48) hours to seventy two (72) hours for the initial posting only.

- g) In the cases of job ownership, the posting will indicate the paypoint numbers, line ownership or area ownership as outlined in Article 20.
- h) Each posting will be numbered and the successful applicant posting will be numbered to correspond with the original posting.
- i) There will be no job posting for jobs within a department that is shut down for a vacation period.
- j) Probationary employees are not eligible to bid on job postings.
- k) The employee's seniority and ability to do the work shall be the governing factor. Determined by tests for the following jobs: Lift Truck Operator, Crane Operator Quality Control, Shipper and Die Setter. Where more than one (1) employee has the ability to do the job, seniority will be the governing factor. Such tests will be available to all employees at the Personnel Office. **All tests must be completed within the period referred to in Article 8.10 (p) (e.g. 5 and 30 days).**
- l) No employee(s) will be allowed more than two (2) successful postings per year. The time limits on all postings will be from the date the employee was successful on the job posting.
- m) An employee who has bid on more than one (1) job at the same time, will indicate **his/her** order of preference on **his/her** applications. The employee will be given the highest preference won at this time and all **his/her** other bids will be considered to have been withdrawn.

- n) The successful applicant for any of the above postings will be given the opportunity to perform the job for a period of five (5) working days. If the employee selected proves unsatisfactory, **he/she** will be returned to **his/her** former job within forty-eight (48) hours after the five (5) day period. In the case of voluntary return within the five (5) day period, the employee will be returned to **his/her** former job within five (5) days following the request. If the applicant fails to prove satisfactory or voluntarily returns, the opportunity will be given to the next applicant in line.
- o) The successful applicant will be paid the regular rate of the job and shall have **his/her** name posted on all plant bulletin boards. A copy of this posting will be delivered personally to the Plant Chairperson or **his/her** designate at the time of the posting. The successful applicant posting will include all the badge numbers of the employees that posted. A copy of this posting will be delivered personally to the Plant Chairperson or **his/her** designate at the time of posting.
- p) In the event the posting is for a skilled classification or Die Setter, Oiler, **Storekeeper Receiver Attendant and Blanker Operator**, the period of five (5) days shall become thirty (30) working days.
- q) The successful applicant posting will be posted within forty-eight (48) hours after the conclusion of the forty-eight (48) hour period referred to above.
- r) The successful applicant will be transferred within fifteen (15) working days of the successful applicant posting, except in the case of a major increase in the workforce or introduction of a new product line this may be extended by fifteen (15) working days, provided the scheduled date of movement is specified on the job posting. This period may be extended by mutual agreement.
- s) Should sub-section (r) or (n) not be complied with, the employee shall receive **his/her** prevailing hourly rate or the



rate of the job to which **he/she** should be transferred, whichever is the greater.

- t) An employee who proves unsatisfactory and is returned to **his/her** former job by the Company, or the job is eliminated within fifteen (15) working days from the employee being placed on the job, or the employee submits medical evidence satisfactory to the Company of **his/her** inability to do the job, shall not forfeit **his/her** posting rights.

Any employee who voluntarily returns to **his/her** former job or withdraws **his/her** application after successful applicant posting, shall forfeit one (1) job posting.

**8.11** In situations where employees are absent for a period of less than two (2) years because of sickness, injury, vacations and leaves of absence, the job shall not be posted except as provided for in Article IX; such employees will be returned to such jobs, providing such employees would not have lost their jobs due to a layoff as outlined in Article 8.12. Employees absent for two (2) years or more, will be entitled to exercise **his/her** seniority upon return, in **his/her** classification.

**8.12** An employee who has lost his/her job because of a lay-off, will return to his/her job before the job will be posted provided **his/her** seniority entitles **him/her** to such a return unless he/she has been laid off from the plant for a period of two (2) years or more. An employee laid off from the plant for two (2) years or more will be entitled to exercise his/her seniority upon return to **his/her** classification(s) in the reverse order of layoff.

If he has successfully bid on another job while on layoff, the employee has the option to refuse to return to **his/her** former job.

A Committeeperson or Steward recalled to a former classification shall be required to immediately exercise the right to return or relinquish rights to the former classification.

### 8.13 LOSS OF SENIORITY AND TERMINATION OF EMPLOYMENT

An employee shall be deemed to have lost **his/her** seniority and/or terminated **his/her** employment for any of the following reasons:

- a) If **he/she** shall quit or is retired, "subject to the provisions of the Pension Plan."
- b) If **he/she** shall be discharged.
- c) If he/she shall be laid off from the Company for a period in excess of four (4) consecutive years or length of seniority at time of layoff, whichever is greater.
- d) If he/she fails to report to work when recalled from layoff within five (5) working days following receipt of notice to report, sent by the Company by registered mail to **his/her** last address given to the Personnel Department.

However, if **he/she** fails to report to work, he shall not forfeit **his/her** seniority if he notifies the Personnel Department of **his/her** inability to report within the above five (5) days and submits satisfactory evidence of **his/her** absence immediately upon **his/her** return to work.

- e) If the employee is absent for three working days without properly notifying the Management, unless a satisfactory reason is given. After the unreported absence of three (3) working days, Management will send clear written notification to the employee's last known address as shown on the Company records, that his/her seniority has been broken and that it can be reinstated if, within three (3) specified working days after delivery or attempted delivery of such notice, he/she reports for work or properly notifies Management of **his/her** absence, **and provide acceptable evidence for the absence. A copy** of such Management notification will be furnished promptly to the Chairperson of the **Bargaining** Committee. If the employee complies with the conditions set forth in the notifi-

cation, his/her seniority will be reinstated if it has not otherwise been broken; however, such reinstatement shall not be construed as limiting the application to **his/her** case of the Plant Rules regarding absence without reasonable cause.

- f) If he fails to return from a leave of absence granted by the Company, on the date specified on the leave of absence form, without a valid reason,
- g) If his/her absence exceeds the maximum period of the leave of absence provided for under the sick leave provisions in Article IX except as provided for in the Pension Agreement.

#### **8.14 LAYOFF**

- 1) When a temporary condition arises requiring the temporary layoff of employees from their jobs for a period not to exceed four (4) working days, the seniority provisions of this Agreement shall not apply.

Such temporary layoffs will take place only when specific sections of a seniority group are affected due to machinery breakdowns, customer scheduling or any other causes beyond the control of the Company.

- 2) When indefinite layoffs become necessary in a seniority group(s), the Company will post notice in the department(s) and notify the Union forty-eight (48) hours prior to the layoff going into effect except in the case of an emergency. The following procedure for layoff will then apply immediately.

Employee(s) will be laid off according to **his/her** (their) seniority as laid out in Article 8.06 in this Agreement. The most junior employee to be laid off. Thereafter employee(s) will exercise seniority in **his/her** (their) seniority group(s) provided **he/she** is able to perform the work.

- 3) An employee who has been laid off from **his/her** seniority group for a period in excess of fifteen (15) working days for a model changeover, will exercise **his/her** total plant-wide sen-

iority.

#### **8.15 PLANT-WIDE SENIORITY**

- a) An employee who has been laid off from **his/her** seniority group in an indefinite layoff, will exercise **his/her** total plant seniority in another group of **his/her** choice, by replacing the junior **person** in that group providing **he/she** is able to perform the available work and he makes this election within twenty-four (24) hours from the earlier of the date he receives **his/her** notice of transfer or layoff.
- b) An employee who is to be laid off from the plant may exercise his/her plant-wide seniority into jobs listed in 8.10(k) provided **he/she** is able to pass the required test after twenty-four (24.0) hours training.

#### **8.16 RECALL**

Recall from layoff shall be in the reverse order of the layoff procedure. When recalls from layoff outside the plant occur, five (5) working days grace period will be allowed for the ownership provisions contained in this Collective Agreement.

**8.17** When it becomes necessary to lay off Union Officials from the plant, the following order of layoff will apply:

Safety Chairperson  
Time Study Representatives  
Sergeant-At-Arms  
Guide  
Three (3) Trustees  
Recording Secretary  
Financial Secretary  
Vice-President  
President  
Workers' Compensation Representative  
Benefit Plan Representative  
Bargaining Committee  
Chairperson

The above-named officials shall have preferential plant-wide seniority. Although they are subject to internal layoffs, in no event will they be laid off from the plant provided they are able to perform the available work. Officials from the skilled trades classifications shall have preferential seniority in these classifications.

**8.18** The Steward in each department shall have top seniority in **his/her** area of representation including temporary layoff, provided **he/she** is capable of performing the available work.

When it becomes necessary to decrease the number of Stewards in an area of representation as per Article 5.03 or Appendix "B" of the Collective Agreement, the Union will inform the Company no later than five (5) working days preceding the layoff, when possible, as to who will be removed. If the Steward is to be laid off, **he/she** will be laid off as per Article 8.

If an increase in the number of Stewards is required, the Plant Chairperson or **his/her** designate will notify the Manager of Labour Relations or **his/her** designate, in writing, as to which Steward is to be recalled. The Company will recall the Steward regardless of **his/her** seniority provided there is work in **his/her** area of representation in which he was elected, which he is capable of performing. If such recall would result in an increase in the workforce, then the recall will be postponed until such time as the employee to be displaced has worked through the required notice of layoff period as per the Employment Standards Act.

**8.19**

**a) All employees that have incurred a medical determined permanent disability and are no longer capable of performing his/her regular duties, but is capable of performing other duties, either in their own classification or another classification, may by mutual agreement between the Company and the Bargaining Committee, have a modified job negotiated on their behalf provided they are capable of performing the available work and may not displace another employee.**

- b) Suitable work will be offered to disabled employees according to the steps below and will be offered in accordance with seniority.

When a permanent disability has been established by a Functional Ability Evaluation (FAE), the following process will occur:

- 1) Positions within the disabled employee's classification, will be considered.
- 2) If the employee cannot be accommodated within his/her own classification, the Company and the Bargaining Committee will attempt to accommodate such employee outside his/her classification.
- 3) Employees who are permanently disabled may not displace another employee.
  - c) Overtime whether selective or scheduled, may be allowed provided the overtime is permissible by the employee's medical restrictions and the restricted employee does not displace another employee.
  - d) Employees reclassified in (a) above, may be re-evaluated by the Modified Work/Accommodation Committee not less than annually.
  - e) Should the parties fail to reach an agreement, then arrangements may be made with an independent medical specialist who will assist the parties in making a determination.

**8.20**

- a) Any employee transferred or promoted out of the Bargaining Unit prior to April 18, 1977 and subsequently returns to the Bargaining Unit shall accumulate only the seniority acquired while in the Bargaining Unit. If **he/she** does not have sufficient seniority to work in **his/her** former classification, **he/she**

shall then exercise his/her seniority in accordance with the terms of the Agreement.

- b) Any employee transferred into the office unit and returned back to the Bargaining Unit shall accumulate only the seniority acquired while in the Bargaining Unit. If **he/she** does not have sufficient seniority to work in **his/her** former classification, **he/she** shall then exercise **his/her** seniority in accordance with the terms of the Agreement.
- c) Subsequent to April 18, 1977 any employee who is transferred or promoted out of the Bargaining Unit shall forfeit **his/her** rights to return to the Bargaining Unit should he fail to return within one (1) year from the date of **his/her** transfer or promotion

## ARTICLE IX LEAVES OF ABSENCE

### 9.01 PERSONAL

A leave of absence of up to thirty (30) days may be granted to employees with seniority, for personal reasons other than to seek or obtain employment elsewhere. Extensions may be granted by mutual agreement between the Company and the Union.

After the thirty (30) day period, the employee may elect to pay for the continuation of benefits as outlined in Article 9.03.

### 9.02 SICK LEAVE

An employee with seniority who is unable to work because of illness or injury, and who furnishes satisfactory evidence thereof, shall be granted a leave of absence while disabled, equal to **his/her** seniority at the date of disability or five (5) years, whichever is greater. He/she will be returned to work in accordance with **his/her** seniority, provided **he/she** furnishes satisfactory medical evidence of recovery.

**9.03 PUBLIC OFFICE LEAVE**

An employee with seniority elected to public office shall be granted a leave of absence for a period of one (1) year with extension privileges, provided however, that such employee shall renew **his/her** leave of absence annually. During such period, the employee's benefits will cease. However, such employee may elect to retain any or all of the following benefits providing **he/she** pays the premium(s) in advance - Life Insurance, A.D. & D., Vision, Drug, OHIP, Transition and Bridge, Nursing Care, Dental, Legal Services and Chiropractic services.

Upon the conclusion of **his/her** leave or any time during **his/her** leave, and providing the Company has had fourteen (14) days notice, such employee will be returned to work in **his/her** previous classification, seniority permitting, or **he/she** will exercise **his/her** group and plant-wide seniority accordingly.

**9.04 NATIONAL UNION LEAVE**

a) An employee with seniority, selected or appointed by the National Union, C.L.C. or O.F. of L., shall be granted a leave of absence for the length of **his/her** appointment. During such leave of absence, the employee's benefits will cease. As outlined in Article 9.03, the employee may elect to pay for continuation of benefits.

Upon conclusion of **his/her** leave or any time during **his/her** leave, and provided the Company has had fourteen (14) days notice, such employee will be returned to work in **his/her** previous classification, seniority permitting, or **he/she** will exercise **his/her** group or plant-wide seniority accordingly.

**LOCAL UNION LEAVE**

b) An employee with seniority elected or appointed to a fulltime office in the local union or selected for other union activities, shall be granted a leave of absence for the full term(s) of **his/her** office. **He/she** shall lose no seniority in **his/her** former classification and he shall be returned to that classification upon request, provided the Company has had fourteen (14) days notice.



During such leave(s), the employee's benefits will cease except for the President and Financial Secretary of Local 1451, whose benefits will be paid by the Company. Others may elect, as in 9.03, to pay for their continuation of benefits.

#### **9.05 HIGHWAY TRAFFIC/CRIMINAL CODE**

Any employee who is convicted under the Highway Traffic Act (including unpaid traffic fines) or Criminal Code for driving offences and is subsequently jailed, will be given a leave of absence for the length of the jail term, provided written notice is given to the Company within five (5) days after the start of the sentence.

#### **9.06 EDUCATION**

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 shall be conditional upon the following:

- a) Sufficient prior notice is given to the Company in writing.
- b) The employee provides evidence of acceptance into a formal education program.
- c) The employee will be entitled to exercise **his/her** seniority upon return in **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.
- d) The Company reserves the right to limit the number of such leaves in a given work area.
- e) The Company-paid benefits shall cease for this period. An employee may elect to pay for continuation of benefits as out-

lined in Article 9.03.

**9.07 MILITARY LEAVE**

A Military leave of absence will be granted to employees who are called to active duty in the Canadian Armed Forces.

**9.08 PREGNANCY, PARENTAL AND ADOPTION LEAVE**

**Employees with seniority will be entitled to a leave of absence up to a period allowed under relevant Provincial Statutes. Provided,**

- 1. The employee submits a written request a least two (2) weeks in advance of the date the leave is to begin.**
- 2. The employee is to notify the Company in advance, should he/she wish to return prior to the expiry date of such leave.**
- 3. The employee is to supply any certificates required for such leaves.**

**Benefits will be paid in accordance with the Supplemental Agreement.**

**Employees who require modified work as a result of pregnancy will be provided work in accordance with the Modified Work Program.**

**9.09 GENERAL**

Seniority shall accumulate during the period of an approved leave of absence for seniority employees.

**9.10** An approved copy of any written leave of absence granted under the Leaves of Absence section, will be furnished to the employees.

**ARTICLE X  
HOURS OF WORK**

This article is intended to define the regular hours of work and shall not be construed as a guarantee of hours of work per day or per week or days of work per week.

**10.01 REGULAR WORKING HOURS**

The regular working hours shall be eight (8) hours per day and forty (40) hours per week. The "C" shift will commence at 11:00 p.m. Sunday. Should an employee be required to report to work earlier than 11:00 p.m. Sunday, **he/she** will receive double time for all time worked prior to 11:00 p.m. Sunday.

All work in excess of eight (8) hours in one (1) day or forty (40) regular hours in one (1) week, and all work performed on Saturday, except when it is the remaining straight time hours of the fifth (5th) day of an employee's work week, shall be paid for at time and one-half, provided, however, that not more than one (1) premium payment shall be made for the same hours worked. Double time will be paid for all time worked in excess of twelve (12) consecutive hours in any twenty-four (24) hour period. Employees shall not be required to suspend work without pay during regular working hours to absorb overtime.

Employees will work no more than 12 consecutive hours, except in cases of extreme emergency reasons such as health and safety or when customer requirements are in jeopardy.

An employee who fails to work eight regular hours during a twenty-four (24) hour period due to the Humidex Agreement or a temporary layoff, will be eligible for overtime premium for hours worked within the twenty-four (24) hour period and immediately preceding **his/her** next regularly scheduled shift.

For the purpose of computing overtime compensation, an employee's work day shall be the twenty-four (24) hour period beginning at the regularly scheduled starting time of the shift to which he/she is assigned.

**10.02 OVERTIME**

- 1) Time and one-half shall be paid for all time worked on Saturday and double time shall be paid for all time worked on Sunday regardless of the number of hours worked during the regular work week, except as provided in 10.01.
- 2) All employees working on "C" shift starting at 11:00 p.m. Sunday, will be paid time and one-half for work performed on the sixth (6th) shift in their work week and double time for work performed on the seventh (7th) shift in their work week.

**10.03**

- 1) The Union will be advised in advance of any overtime to be worked. All work in excess of eight (8) hours overtime in a work week and in all cases where the Company fails to give at least forty-eight (48) hours advance notice, overtime will be on a voluntary basis. However, in cases where emergencies (proof will be made available upon request by the Union) exist in the skilled trades area, and in indirect classifications related to the skilled trades, such employees will work the overtime to overcome such emergencies. If any employee has a compelling personal reason, he/she will be excused from the overtime assignment.

Overtime on Saturdays and Sundays will be scheduled for six (6) hour shifts. This does not restrict the Company from scheduling overtime during the regular work week. The six hour shifts will be as follows:

“A” Shift - 7:00 a.m. to 1:00 p.m.

"B" Shift - 1:00 p.m. to 7:00 p.m.

During the period from June 1st to September 15th of each year, "C" Shift will work 11:00 p.m. Friday to 5:00 a.m. Saturday.

Employees will receive two (2) fifteen (15) minute rest periods. There will be no wash-up periods during these six (6) hour shifts.

- 2) Overtime will be distributed to those employees normally performing the work to be done in the department on the shift the overtime occurs. Distribution will be given to the **person** on the shift with the least amount of overtime hours in the department.

If the Company is unable to obtain sufficient employees among those people normally performing the work, they will give the opportunity to the employees on the overtime shift with the least amount of overtime in the department who are capable of performing the work to be done without training. An employee who does not work the overtime, provided he has been offered, shall be charged with the overtime hours offered and the opportunity to work overtime shall be passed on to the next employee. In the case of skilled trades, overtime will be distributed to the low **person** among the employees of the trades affected. When a department requires additional employees for overtime, the Company will go to the department in the seniority group with the least average amount of overtime hours and offer the overtime to those that are capable of performing the work to be done without training using the **low person** concept, including spares.

Employees will be required to initial all overtime sheets when requested to work overtime denoting their acceptance or refusal.

- 3) A written list of employees scheduled to work overtime will be given to the Steward personally involved, no later than two (2) hours prior to the end of the shift preceding the overtime. When the overtime sheets are given to the Steward, the time of receipt will be recorded on the sheet and initialed by the Supervisor and Steward involved. Any objection registered by the Steward and acted upon will not become the subject of a grievance.

Any violation of 10.03(2) by the Company will result in payment to affected employees for overtime hours lost at the applicable overtime premium provided objection is raised

prior to the overtime being worked. It is understood that the Company must supply the Steward with a written list of employees scheduled to work, otherwise the Steward will not be required to raise objections.

- 4) The Company will maintain up-to-date records of the overtime offered in each department and these records will be made available to the Steward. Any employee entering a department on a transfer shall take the highest overtime hours in the classification in that department for the purpose of equalization (except as outlined in Article 20.05(5a) and 20.10). Leadhand, steward or temporary lift truck operators' hours **or any excessive hours that are mutually agreed upon**, are to be excluded. Should the employee be returned to **his/her** original department due to an unsatisfactory job posting, he will be credited with **his/her** original overtime hours plus **his/her** overtime hours accumulated during the transfer. This also applies to a temporary transfer agreed to by the parties. Any transfer of ten (10) working days or less shall be considered a temporary transfer for the purpose of computing overtime hours.
- 5) An employee who is absent from the plant or shift for any reason when overtime is being distributed and who would have been requested to work, shall be charged with the overtime hours so scheduled
- 6) In no event shall an employee be asked to work overtime for a period of less than one (1) hour, except in an emergency situation as it applies to skilled trades and to indirect classifications directly related to the skilled trades. If the overtime assignment is completed in less than one (1) hour and the employee wishes to go home, **he/she** may obtain a pass from **his/her** supervisor accordingly and shall be paid for the time actually worked.
- 7) An employee working an overtime assignment shall be paid at the rate of the job which is to be performed on overtime, regardless of **his/her** normal rate of pay during regular hours.

- 8) Overtime will be recorded in the following manner: eight (8) hours offered and/or worked at time and one-half, will be recorded as twelve (12) hours for the purpose of equalization. Eight (8) hours offered and/or worked at double time on Sunday will be recorded as sixteen (16) hours for the purpose of equalization.
- 9) The overtime rate will be applied to the earnings produced on incentive for incentive workers and to the hourly rate for non-incentive employees, excluding ALL premiums except COLA.

Whenever an employee begins incentive work, such work will be computed separately from any straight time work which preceded it. (The employee starts anew).

An employee who works overtime receives his/her overtime premium (plus shift premium, spares premium, leadhand premium, where applicable) for the same time worked. Overtime does not affect the size of ANY premium except COLA.

The inability of an employee to work on a Saturday will not preclude his/her right to work on Sunday.

Overtime will be computed on a daily basis and checked for equalization on a weekly basis. The information will be posted on plant bulletin boards by department and by classification by Monday noon for the previous week and copies will be forwarded to the Union at that time.

Effective the first week of November 1997, overtime will be computed on a daily basis and checked for equalization on a weekly basis with a week delay in the application of the equalized hours. The information will be posted on plant bulletin boards by department and by classification by Monday noon for the previous week and copies will be forwarded to the Union at that time.

Overtime hours will be zeroed on the first Monday of November of each calendar year. Overtime will be offered overtime by sen-

iority during the two calendar weeks following the first Monday in November each year until such time as employees can be offered overtime by the low hour concept.

When overtime hours are equal, employees will be offered overtime by seniority.

#### **10.04**

- a) On weekends or statutory holidays, a Steward shall be given the opportunity to work whenever ten (10) or more employees are scheduled to work overtime in **his/her** area of representation, and on the shift **he/she** normally represents or in any case where there is no union representative scheduled in **his/her** area of representation, regardless of the department or shift from which such employees are selected to perform the overtime assignment; and provided **he/she** is able to perform the work available.

**His/her** privilege to leave **his/her** job during overtime hours, however, is limited to the handling of grievances relating to or arising from the work during these hours, on behalf of constituents working during such hours. **His/her** total time off the job will not exceed the authorized time as specified in article 5.03(b).

**He/she** shall be paid at the rate of the job to which he is assigned. If **he/she** cannot perform the available work, the Union may appoint one of the employees scheduled to work as acting representative for the period of absence of the regular Steward and shall advise the Company accordingly.

- b) The President, Plant Chairperson, Committeepersons, Workers' Compensation, Benefits Rep and Safety Rep, may work weekend overtime up to the average of total plant overtime providing they notify the Labour Relations Manager beforehand.



#### 10.05 REGULAR WORKING SHIFTS

1) The regular working shifts shall be defined as follows:

"A" Shift will start at 7:00 a.m. and finish at 3:30 p.m.

"B" Shift will start at 3:30 p.m. and finish at 12:00 midnight.

The above shall apply except when a twenty-four (24) hour operation is in effect. The regular starting times shall read as follows:

"A" Shift will start at 7:00 a.m. and finish at 3:00 p.m.

"B" Shift will start at 3:00 p.m. and finish at 11:00 p.m.

"C" Shift will start at 11:00 p.m. and finish at 7:00 a.m. with a twenty (20) minute paid lunch period.

2) For a three (3) shift operation, the regular shift rotation will be every two (2) weeks, except as in (3) below. i.e. "A" to "C" to "B".

3) The regular shift rotation will be on a two (2) week basis except where it is impossible to do so in specific cases. In such cases, the Company and the Union agree to arrange a satisfactory alternative for such specific cases.

4) To insure reasonable shift assignment, any employee assigned to a shift other than those listed above, shall be given forty (40) hours notice of such assignment. In addition, he/she will be retained on the new shift for the regular two (2) week rotation period unless mutually agreed to otherwise. At the end of such period, he/she will revert to the regular shift pattern. The above does not apply to production classifications.

5) Any employee who requests to work on a steady shift will be accommodated by seniority, on a quarterly basis commencing on the first Monday of February, May, August and November, providing and for as long as the job for which he/she is qualified is available, providing counterparts can be arranged by seniority. However! once having accepted such shift(s), they will be required to continue on said shift(s) for periods of

three (3) months and will indicate such acceptance on a form provided by the Company. A copy of such form will be forwarded to the Union,

- 6) Work assignments on a permanent shift basis will be offered to the employee(s) with the greatest seniority in the department and classification affected provided **he/she** is able to perform the work. Should an employee refuse the permanent shift, he will indicate such action on a form provided by the Company and he will not exercise seniority in this matter for a period of three (3) months. A copy of such form will be forwarded to the Union. The shift preference in the skilled trades is covered in the Letter of Intent elsewhere in this Agreement.
- 7) Paid lunches will be implemented on the basis of a "counterpart" arrangement, i.e. the shift with the least number of qualifying employees will determine the number who qualify on the other two (2) shifts. The paid lunches will be offered by line/job ownership and/or departmental classification seniority.

Employees assigned to any one of the three (3) shifts contained in the twenty-four (24) hour shift schedule defined in Article 10.05(1) will receive a paid lunch.

**10.06** An employee who works on day shift beyond or before the regularly scheduled hours of such shift, shall not be paid the night shift bonus for the time worked by **him/her** beyond or before such hours.

**10.07 REPORTING PAY**

An employee permitted to come to work without having been properly notified that there will be either no work or less than four (4) hours work available, and who is sent home because of lack of work before **he/she** shall have worked four (4) hours, shall receive a minimum of four (4) hours pay at **his/her** prevailing hourly rate subject to the applicable overtime premium, provided however, that the provisions of this Section shall not apply in any case in which the lack of work is caused by a labour dispute, or by any

reason beyond the control of the Company, or in any case in which an employee is offered four (4) hours of work for which **he/she** is qualified and he/she refuses such work.

When the Company, in the presence of a Union Representative, makes an unsuccessful attempt to notify an employee, there will be either no work or less than four (4) hours work available. Such employee will be ineligible for reporting pay under this provision.

#### **10.08 CALL-IN PAY**

When an hourly-rated employee has left the premises, and is called upon to return to the plant for an overtime assignment within a twenty-four (24) hour period, **he/she** shall receive pay as follows:

- a) **Any employee called into work will receive one (1) extra hour call in pay at his/her applicable rate.**
- b) For all time worked in excess of one (1) hour, he/she shall receive pay at his/her regular hourly rate, subject to overtime, holiday or Saturday and Sunday premiums where applicable.
- c) If the employee entitled to call-in overtime cannot be contacted, he/she will be charged with the overtime hours providing the call is witnessed by the Steward.
- d) When a Steward is asked to verify a phone call, it will only be to verify that the **supervisor** is calling the employee to work overtime.

**10.09** The Company will grant a paid rest period of twelve (12) minutes after each two (2) consecutive hours worked during the employee's regular shift. A lunch period will supersede the break period which would otherwise have occurred.

When after having worked a full shift, overtime is scheduled for two (2) or more hours, there will be a twelve (12) minute rest period between the time the shift ends and the overtime starts. A further twelve (12) minute break will be granted after completion of

each two (2) hours of scheduled overtime worked thereafter. If, after working twelve (12) consecutive hours, the employee is scheduled for additional overtime, **he/she** will be granted a twenty (20) minute paid lunch.

**10.10** An employee scheduled to work eight (8) or more hours shall be allowed a paid wash-up time of five (5) minutes immediately prior to the end of the shift. For production workers this will be included in their allowances as spelled out in Article 14.06.

#### **10.11 PAID HOLIDAYS**

Employees shall be paid as provided hereunder for Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, an individual floating holiday, and in addition, the extended Christmas Holiday as listed below, providing they have worked thirty (30) days as of the date of the holiday and have met all of the following eligibility rules unless otherwise provided therein.

#### **CHRISTMAS HOLIDAYS**

The Christmas Holiday Period for each of the years is as follows:

**For Christmas 2000 – Shutdown after working December 21, and holiday December 22, weekend December 23, 24, holidays December 25, 26, 27, 28, 29, weekend 30, 31 and holiday January 1. Return to work January 2, 2001.**

**For Christmas 2001 – Shutdown after working December 21, weekend December 22, 23, holidays December 24, 25, 26, 27, 28 weekend 29, 30 and holidays December 31 and January 1. Return to work January 2, 2002.**

**For Christmas 2002 – Shutdown after working December 20, weekend December 21, 22, and holidays December 23, 24, 25, 26, 27, weekend 28, 29 holidays December 30, 31, January 1. Return to work January 2, 2003.**

**10.12** An eligible employee shall forfeit **his/her** holiday pay if:

- a) **He/she** is absent from work on his/her regular working day prior to, or **his/her** regular working day following the holiday, unless **he/she** is excused by the department head. For the Christmas holiday, any employee who fails to work either the last regular work day prior to or the next regular work day after each Christmas holiday period, will disqualify the employee for pay for the one (1) holiday in the Christmas holiday period which follows or precedes such regular work day.

When multiple holidays attach to a weekend (other than a weekend associated with the Christmas holiday period), only one (1) days holiday pay would be forfeited if the employee is absent on one qualifying day.

- b) The holiday occurs while **he/she** is serving a penalty for misconduct.
- c) **He/she** is absent due to a strike.
- d) **He/she** is away from work due to personal illness, non-compensable accident or an approved leave of absence or layoff and **his/her** combined absence before and after the holiday(s) exceeds sixty (60) calendar days.

**10.13** In cases of Sickness/Accident, Leaves of Absence or Layoff, there will be no duplication of payment, however, the Company will be obligated to make up the difference between what he/she received as a benefit and **his/her holiday pay and make up on a floating holiday.**

**10.14** When any of the above-enumerated holidays fall on a Saturday or a Sunday, it will be celebrated on the day coinciding with the date on which our customer celebrates the holiday.

**10.15** Employees eligible under these provisions shall receive eight (8) hours pay for each of the above holidays specified in Section 10.11. The rate of pay shall be the prevailing hourly rate plus the Cost of Living Allowance, applicable shift, leadhand and spare man premium.

**10.16** When the holiday(s) specified above fall within an employee's approved vacation period and **he/she** is absent from work during **his/her** regularly scheduled work week because of such vacation, **he/she** shall be paid for such holiday(s) and shall be given an extra day(s) **off** at the end of **his/her** vacation period, unless mutually agreed otherwise.

**10.17** Employees who have been requested to work on a holiday, and have accepted such holiday work assignment, and then fail to report for and perform such work without reasonable cause, shall not receive holiday pay for that day.

**10.18** Employees who accept and perform work on the holidays observed above shall receive holiday pay in addition to the double time provided for work on such holidays.

Such employee will be given a day off without pay in lieu of the holiday providing **he/she** gives the Company sufficient prior notice of **his/her** intended day off. Requests for days off will be by seniority. The Company will not be prevented from limiting the number of such leaves for any given day. Any employee requesting a day in lieu must take such day off no later than one (1) year following the holiday he worked.

**10.19 JURY DUTY/CROWN WITNESS**

An employee who is summoned and reports for jury or crown witness duty as prescribed by applicable law, shall be paid by the Company an amount equal to the difference between the daily jury duty or crown witness fee paid by the court (not including travel allowances or reimbursement of expenses) for each day on which **he/she** reports for or performs jury or crown witness duty and on which otherwise would have been scheduled to work for the Company, and P.H.R. and COLA earned by the employee from the Company (excluding night shift overtime and any other premium) by working during straight-time hours for the Company on that day.

**10.20** In order to receive payment, an employee must give the Company prior notice that **he/she** has been summoned for jury or

crown witness duty and must furnish satisfactory evidence that he reported for or performed jury or crown witness duty on the days for which he claims such payment.

**10.21 BEREAVEMENT**

When a death occurs in an employee's immediate family (i.e. spouse, parent, parent of current spouse, child, brother, sister, brother-in-law, sister-in-law, daughter-in-law and son-in-law, grandparent, grandparent of current spouse, stepparent, stepbrother, stepsister, half-brother, half-sister and grandchild) the employee, upon request, will be excused for the three (3) normally scheduled working days, excluding Saturdays, Sundays, vacations and holidays, surrounding the date of the funeral, provided he attends the funeral.

Bereavement leave will increase from 3 days to 4 days upon the death of an employee's spouse, child, parent, brother or sister.

**10.22** An employee excused from work under this paragraph shall, after submitting evidence satisfactory to the Company, receive **his/her** prevailing hourly rate plus COLA for all straight-time hours lost on such scheduled days of work for which **he/she** is excused.

**10.23 SHIFT PREMIUMS**

Employees working on the "B" and "C" shifts will receive a shift bonus as follows:

"B"	\$1.08
"C"	1.67

**ARTICLE XI  
PLANT MOVEMENT**

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

Any employee declining such a transfer may accept a termination and be eligible to receive a severance pay in accordance with the requirements of Ontario law.

**ARTICLE XII  
MOVING ALLOWANCE**

**12.01** Transfer moving allowance: an employee who is on the active employment rolls, on or after July 30, 1968, and is offered and accepts a transfer from one plant to a new plant, under plant movement section, will be paid a moving allowance provided:

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

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

<u>Kilometers Between</u> <u>Plants</u>	<u>Single</u>	<u>Married</u>
80 - 159	\$ 795.	\$1765.
160 - 479	885.	1945.
480 - 799	960.	2040.
800 - 1599	1155.	2410.
1600 or over	1345.	2770.



**12.03** In the event an employee, after relocating to a new plant, exercises an option to return with **his/her** seniority to the seniority rolls or his/her original plant under conditions which would entitle him/her to a separation payment on the basis of such seniority, the amount of any moving allowances received will be deducted from any subsequent separation payment.

**12.04** Layoff moving allowance: an employee with one or more year's seniority who is on the active employment rolls on or after July 30, 1968, and accepts a voluntary offer of work at another plant of the Company, will be paid a moving allowance provided:

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

**12.05** Any subsequent separation payment will be reduced by the amount of any moving allowance previously received.

**12.06** There will be no duplication of allowance under any, present or future legislation providing for moving or relocation allowance.

**12.07** A moving allowance shall be payable in a lump sum. Any moving allowance payable under this Section shall be paid by the Company.

### **ARTICLE XIII VACATIONS**

**13.01** An employee who has less than one year's seniority as of June 30 of the current vacation year, will receive four percent (4%) of his/her total earnings for vacation pay.

**13.02** An eligible employee who has one (1) or more years of service as of June 30th of the current vacation year, will receive either (a) Vacation as outlined in Schedule (A), or (b) a combination of Vacation and Paid Absence Allowance as outlined in Schedule (B).

For the purpose of ensuring compliance under existing laws, time off for Paid Absence Allowance is deemed to be vacation time off.

**SCHEDULE (A) - VACATION ELIGIBILITY SCHEDULE**

<u>Length of Service</u>	<u>No. of Weeks</u>	<u>% Total Earnings</u>
Less than 1 year	0	4
1 year but less than 3 years	2 1/2	5
3 years but less than 5 years	3	6
5 years but less than 10 years	3 1/2	7
10 years but less than 15 years	4	8
15 years but less than 20 years	4 1/2	9
20 Years but less than 25 Years	5 1/2	11
25 Years and Over	6	12

**SCHEDULE (B) - VACATION PAID ABSENCE ALLOWANCE**

An employee who elects to receive a combination of Vacation and Paid Absence Allowance during the current vacation year, will be eligible per the following schedule. This election must be made by notifying the Company on a form provided by the Personnel Department prior to June 15 of the current vacation year.

Note: The 1,000 hours rule applies to P.A.A. entitlement as explained in detail in Article 13.02 (d)

<u>Length of Service</u>	<u>Weeks</u>	<u>% of Total Earnings</u>	<u>P.A.A. Hours</u>
Less than 1 year	0	4	0
1 year but less than 3 years	2	4	20
3 years but less than 5 years	2	4	40
5 years but less than 10 years	2 1/2	5	40
10 years but less than 15 years	3	6	40
15 years but less than 20 years	3 1/2	7	40
20 years but less than 25 years	4 1/2	9	40
25 year and over	5	10	40

Paid Absence Allowance when taken as time off, shall be in accordance with the following:

- a) An eligible employee may use **his/her** paid absence allowance credit during the eligibility year following the date such paid absence allowance is credited to **him/her** provided **he/she** has given at least twenty-four (24) hours notice and **his/her** absence from work is for not less than increments of four (4) continuous hours and is excused for illness (when not receiving sickness and accident insurance benefits - i.e. Weekly Indemnity and **WSIB**) personal business, or a leave of absence for vacation purposes.
- b) Paid Absence Allowance shall be computed as follows: For non-incentive employees, base hourly rate plus COLA, applicable shift, leadhand and spare **person** premium, in effect on the day the Paid Absence Allowance is taken. For incentive employees, prevailing hourly rate plus COLA, applicable shift, leadhand and spare man premium in effect on the day the Paid Absence Allowance is taken.

- c) An eligible employee who, at the time of his/her next eligibility date, has not used **his/her** entire paid absence allowance credit, shall in lieu of excused absence, be paid the unused portion per paragraph (b).
- d) When an employee has failed to work the minimum hours (1,000) in the vacation eligibility year, **he/she** shall be entitled to P.A.A. as if he had worked the minimum hours for that year, reduced by five (5) percent for each fifty (50) hours (or fraction thereof) by which he/she has failed to work the minimum hours for that year.
- e) A prescribed form will be initiated by the employee when **he/she** applies for payment. Prescribed forms duly approved and received in the Payroll Department by Monday, will be included in the pay for that week.

### 13.03

- a) The vacation year shall be from July 1 through June 30. Vacations must be completed by May 31 and cannot accumulate or be taken in subsequent vacation years. Paid Absence Allowance must be completed by May 31 and cannot accumulate or be taken in subsequent years.
- b) **All employees shall take their vacation entitlement as under Section 28 of the Employment Standards Act during the vacation year which runs from July 1 through to June 30. Vacations must be completed by May 31 and cannot accumulate or be taken in subsequent vacation years.**

**It is the intent of the Company and the Union to ensure that each employee receives their two (2) weeks annual vacation. After the summer shutdown, an analysis of the vacation time will be completed by area. Once this analysis is complete and if needed each area will establish a scheduling session for those employees who have not had two (2) weeks vacation. The process will be as follows:**

**Each employee by seniority will select his/her vacation in the balance of the months available within the current vacation year. If an employee has not scheduled his/her vacation by March 1st within the current vacation year then the Company at its discretion will schedule his/her vacation during the months from March 1st through to May 31st of this vacation year. This scheduling will align with production needs.**

**13.04** An employee who has earned a vacation or P.A.A. entitlement under the terms of this Article and is terminated (or quits) on or after July 1, shall receive any unpaid vacation and P.A.A. allowance due **him/her**.

**13.05** When an employee has worked sufficient time to draw vacation pay and P.A.A. and dies, the authorized beneficiary or estate shall be entitled to **his/her** vacation pay.

**13.06**

- a) Time off will be given to all eligible employees. The Company shall notify the Union of the primary vacation period which will be a minimum of two (2) consecutive weeks in the months of July and/or August by May 1st of the year in which the vacation falls.
- b) An employee who agrees to work during the normal vacation period, or an employee entitled to vacation in addition to that scheduled through the prime vacation period, will be given preference for **his/her** vacation period in line with **his/her** seniority within his/her classification.

**13.07** Vacation allowances shall be computed as follows: Total earnings shall mean wages received from the Company as taxable income during the twelve (12) month period ending June 30 prior to the vacation period.

**13.08** Should any employee have experienced during the vacation year, a leave of absence due to illness or accident in excess of thirty (30) continuous calendar days, **he/she** will, dependent upon

applicable to the particular group or type of operations, and all other pertinent conditions and circumstances under which the operation was studied.

**14.17** Machine or process controlled elemental time will be recorded as observed while running according to the operating procedures. Rheostats and controls shall be set at 220%.

**14.18** All machine controlled elements in a job shall be inserted in the work standard by levelling the machine controlled time at 160%.

**14.19** When manual elements of work and a machine-controlled element occur simultaneously, the controlling time to be used as the elemental allowance time will be determined after the times are levelled and fatigue and personal factors applied. However, this clause will not restrict the Company to one-man, one-machine operations.

**14.20** Manually controlled elements will be leveled to one hundred per cent (100%) of normal performance.

**14.21** Elements that occur at less than one for one will be entered as per occurrence.

**14.22** Observed time for elements of manual work, including those which may be performed internally or externally in conjunction with machine or process controlled elements will be performance rated using walking three (3) miles per hour and dealing with twenty-six (26) cards in fifteen (15) seconds as normal or 100%. Performance ratings will be recorded in increments of five per cent (5%)

**14.23** Whenever a new job or operation other than a pre-production job or operation as defined in Section 14.10 (a) is added to the incentive structure, the parties agree the incentive earnings opportunity should provide a return consistent with the work standards then in effect so that the same effort will yield an equitable earnings opportunity for the employees affected.

**14.24** Disputes on incentive work standards will be handled in the following manner.

- a) Prior to a written grievance on incentive work standards, the Union will have the right to a full investigation including Time Study by the Union Time Study Representative(s) if requested by the Union.
- b) If as a result of (a) a dispute exists and after notification to the Supervisor, it will be appealed to the Industrial Engineering Manager or **his/her** designate at Step II of the grievance procedure.

If upon such reply, the answer is not acceptable, the grievance will proceed immediately to Step III agenda meeting, at which the Industrial Engineering Manager or **his/her** designate will be present.

If the decision at Step III is not satisfactory to the Union, the Union has the right to process the grievance to Step IV arbitration.

**14.25** The company agrees to train (1) Union Time Study Representative for each shift. Further representation to be agreed to by the parties. The training program is to be jointly approved by the parties. The Company agrees to train one (1) additional representative to be used for attrition and/or as an alternate.

**14.26** Each Union Time Study Representative will be paid by the Company at **his/her** prevailing hourly rate, for authorized time spent in standards disputes.

**14.27** The time study training will be of such a nature that when the training is complete, the employee will be qualified and conversant with all phases of the time and methods study procedures as they apply in this Plant.

**14.28** Each Local Union Time Study Representative will be paid by the Company for the time which it is necessary to him/her to lose from **his/her** regular duties, in order to attend any jointly

approved training courses.

**14.29** The Company also agrees that each Union Time Study Representative will remain a member of the Bargaining Unit and will not in any way induce or coerce **him/her** to leave the Bargaining Unit as long as he retains **his/her** position as Union Time Study Representative.

**14.30** The Union Time Study Representative shall have complete access to the time study records and equipment pertaining to **his/her** official duties.

Two stop watches and their clipboards will be supplied to each Union Time Study Representative. When **he/she** quits or is removed from office, **he/she** will return the equipment to the Industrial Engineering Department.

**14.31** In the event a major changeover in the Press Shop or Assembly becomes necessary during a scheduled work day, the employees affected will be assigned other available work and paid accordingly. Those employees assigned to assist any changeover will be retained on a seniority basis and paid prevailing hourly rate **on incentive jobs and Day Rate on Day Rate Jobs.**

A major changeover is completed when the job is first placed on green light. For the first two (2) hours after the major changeover is completed, the job will be given a 10% bonus on to the rate **in assembly and 20% in the press shop.**

**14.32 DAY RATE OFF-STANDARD CONDITIONS**

**The Company agrees that it will not apply a new work standard until the job is safety approved by the appropriate safety representatives for the Company and the Union.**

**The Company and the Union agrees that the EWS Standard(s) will be established using standard data. It is understood that Day Rate employees will be required to perform at normal, 100% (using Article 14.22 as the base for normal) to achieve 100% of the EWS.**



The Company and the Union agree that the EWS Standard(s) will be established from standard data developed from Work Factor predetermined time values currently used.

When it is determined that an off-standard condition exists, the following applies:

- The element(s) in question will be timed and leveled using a stopwatch. The difference(s) will be added to the existing EWS gross cycle time to establish a temporary EWS.
- The operator(s) must perform at normal (100%) to the revised EWS gross cycle time.
- Management, Union and the affected operator(s) will be informed of any changes to the existing EWS standard.

The Company agrees to train all Union Time Study Representative(s) in the application of the standard data being used to establish the EWS.

The Company agrees that a workplace layout will also be submitted for all EWS standards established.

The Company agrees that any dispute that cannot be resolved under Day Rate language, will then be resolved under Article 14.24 of the current Collective Agreement.

Note: The Company expects productivity and quality levels commensurate with day rate EWS expectations maintaining a minimum level equivalent to 90% of the EWS.

**ARTICLE XV  
SKILLED TRADES**

The provisions of the General Agreement shall apply to employees in the Skilled Trades classification except as altered by the provisions of this Article.

**15.01** Skilled trades for the purpose of this agreement shall be detailed in the following classifications.

Carpenter/Painter  
Millwright  
Pipe Fitter  
Sheet Metal/Welder  
Motor Mechanic  
Stationary Engineer - 2nd  
Electrician/ Electronics/ Construction and Maintenance  
Tool and Die Maker

**15.02** Seniority in the skilled trades departments shall be by non-interchangeable trades within a department(s). Seniority lists shall be by basic trades or classifications.

**15.03** Employees presently working under classification or group listed under Article 15.01 of the Agreement shall have their total seniority in their trade classification or group.

Future employees entering the trades classification or group shall have date of entry seniority in the skilled trades as listed under Article 15.01, except in the case of apprentices whose seniority is covered in the apprenticeship agreement.

A successful applicant (from a non-skilled group) of a job posting into a skilled trades classification will have as **his/her** date of entry seniority the date the posting went up.

**15.04**

1) Production workers will not carry seniority into the trades or classification listed under Article 15.01 nor will skilled trades

workers exercise seniority into production or non-production groups except where a classification listed under Article 15.01 is discontinued or eliminated. Such employee will then exercise his/her total plant-wide seniority for the purpose of displacing a junior employee in the classification for which **he/she** is qualified or shall exercise **his/her** total plant-wide seniority in the general production or non-production group under the General Agreement.

- 2) 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 endeavouring to place such an employee on a job **he/she** is capable of performing in accordance with Article 8.19 and **he/she** will carry **his/her** total plant-wide seniority to such job.

In the event that an employee removed from a skilled trades classification is subsequently cleared to return to such classification, **he/she** will be returned with no loss of seniority provided **he/she** exercises such election within fourteen (14) days of **his/her** receipt of medical clearance.

**15.05** The term “**journeyman/woman**” as used in this Agreement shall mean any person:

- a) Who holds a **journeyman/woman’s** classification in a skilled trades occupation, or
- b) Who has served a bona-fide apprenticeship of four (4) years 8,000 hours (9,000 hours for Electrician/Electronics, Construction and Maintenance) and holds a certificate which substantiates **his/her** claim of such service, or
- c) Who has eight (8) years of practical experience in the skilled trades classification in which he claims **journeyman/woman’s** designation and can prove same, or
- d) Who holds a CAW-UAW **Journeyman/woman’s** Card, or

- e) Who holds an Ontario License, certificate of qualification, or certificate of Apprenticeship issued by the Ministry of Colleges and Universities Apprenticeship Branch, provided **he/she** qualifies under (b) and (c) above.
- f) Before hiring the Company will provide the Union with the basis of its determination under this section including a review of any data used in such determination such as evidence of apprenticeship or any other qualifying data. The skilled trades Committee person will be present during such review. However, a fifteen (15) day grace period will be granted if necessary, or longer if agreed to by the parties but in no event will the extension exceed the employee's probationary period.

**15.06** Any further employment in the skilled trades occupations, after the signing of this Agreement, shall be limited to **journeyman** and apprentices, except as provided in Article 15.07.

**15.07**

- 1) During any period when **journeymen/women** are unavailable it is agreed that non-journeymen employees whose duties shall be to supplement the duties of a **journeyman/woman**, may be hired or transferred on a temporary basis into a skilled trades classification, and shall be known as supplemental employees.
- 2) The opportunity to work as a supplemental employee shall be offered first to seniority employees with present and adaptable skills, second to any laid-off employee with seniority who has the present ability or an adaptable skill to do the work. If there are no laid-off employees eligible, new employees may be hired on a temporary basis.
- 3) When a **journeyman/woman** becomes available, either by hire, transfer, or graduation of any apprentice in a skilled classification to which a supplemental employee has been assigned, such **journeyman/woman** will replace the supplemental employee who shall then be laid-off or returned to

**his/her** original department

- 4) A supplemental employee shall not accumulate seniority within the skilled trades classification but shall accumulate plant-wide seniority and may exercise such plant-wide seniority to return to his/her former job or to apply for vacancies in the plant as provided elsewhere in this Agreement.
- 5) Supplemental employees shall receive ten cents (\$.10) per hour below **journeyman/woman's** rate of the classification or trade.
- 6) Supplemental employees shall not be permitted to work overtime until all the employees in the trade or classification being supplemented are given the first opportunity.
- 7) A supplemental employee will have seniority in respect to other supplemental employees assigned to a given classification.
- 8) When an employee is transferred or hired as a supplemental employee **he/she** will be identified by the Company to the skilled trades Committeeperson prior to starting work within the skilled trades.

#### **15.08 LAYOFF**

In the event of an increase or decrease in force in any skilled trades classification as designated in Article 15.01, the following procedure shall apply.

- a) Supplemental employees will be first laid-off from their skilled trades classification, to be followed by probationary employees.
- b) If any further employees are to be laid-off from any skilled trade or classification as listed in Article 15.01, such employees will be laid-off in order of their seniority in such skilled trade or classification.

- c) Recalls shall be in the reverse order of layoff.
- d) Employees affected by a layoff or cutback in manpower as per (a) and (b) above, shall be considered over new hires to fill an open requisition at the Personnel Department.
- e) The provisions of Article 10.07 of the General Agreement will apply to Skilled Trades employees.

**15.09**

- 1) A leader of skilled trades employees shall be defined as one who is a skilled trades employee who, while engaged in **his/her** regular skilled trades occupation, leads or processes the work of two or more employees but not more than fifteen (15) employees.
- 2) A **leader** shall not have any special rights regarding seniority, hours of work, etc. Only a **journeyman/woman** shall be considered as a **leader** in **his/her** respective trade, on the understanding that this does **not** prohibit such **leader** from leading other skilled trades groups.
- 3) **The rates for leaders will be the rate negotiated in the Six (6) Year Agreement.**
- 4) **All Trades Leaders are to be elected by their respective Trade.**

**15.10** The work of a skilled classification shall not be done by employees outside the classification, except under the supplemental employee concept outlined elsewhere in this article.

**15.11**

- a) In the event the Company may acquire some advanced type of machinery or equipment that would call for special servicing by an employee of the appropriate skilled trade, it is agreed that sufficient employees will be given the advantages of taking instruction as may be needed, by any method as determined by the Company, so that the employee may become

familiar with the necessary repair and maintenance techniques required.

b) Such training will involve no loss of pay to any employee.

**15.12** When a machinery breakdown occurs and loss of production is imminent, skilled trades employees will work through rest or lunch periods to correct the breakdown. When the breakdown has been corrected the employee will receive **his/her** complete rest or lunch period.

**15.13** There shall be no numerical or alphabetical classifications within the skilled trades.

**15.14** The Company agrees to deduct dues as may be authorized by the CAW Canadian Region Skilled Trades Council from the skilled trades **journeymen/women and apprentices**. **Such** deductions shall be made at the same time as the regular union dues and thereafter on an annual basis in the month of January. These deductions along with the names of the employees shall be remitted to the Financial Secretary of the Local Union.

**15.15** The Company agrees that established past practice of shift preference by seniority will remain in effect as per a separate memorandum of agreement which forms part of this Collective Agreement.

**15.16** The Company will provide **four (4)** pair of coveralls or shop coats per week (employees' preference) to all Skilled Tradesmen. In addition to this, the Company will, upon request, continue to supply coveralls to employees who may be assigned to dirty, greasy jobs.

**15.17**

a) The Company will repair or replace damaged or broken tools that are turned in to the Company provided there is no negligence or abuse on the part of the seniority employee and provided (b) has been complied with.

- b) The Company shall, upon request, provide a form to be filled out in triplicate for the purpose of recording tools of employees. The employee shall be responsible for ensuring that this form is properly filled out including all additional tools that may be acquired in the future. The employee shall retain one (1) copy of the list, and one (1) copy shall be given to the Skilled Trades Committeeperson and the Company.

**15.18 The Company recognizes that in order to operate a world class operation they must keep up with technological changes and advancements. Therefore the Company agrees to rotation and training of Skilled Trades within the plant. The Company realizes that it is in the best interest of the Skilled Trades to have familiarization with all aspects of machinery, tooling and automation, therefore employees will be rotated not more than every six (6) months upon request, after they are assigned to an area. This will not preclude the Company from moving a Trades person to balance the three (3) month shift agreements. For the purpose of this agreement, the areas shall be Press Shop, Assembly, Anchor, 360 and Toolroom. When Trades are reassigned within a department, this will not be deemed part of the rotation through area assignments.**

15.19 The Apprenticeship Agreement is a separate document and is part of this Collective Agreement.

15.20 The Company will supply special tools and measuring instruments to the Skilled Trades employees.

As the need arises, the above will be replaced or supplemented with metric sizes.

In a reasonable period of time following the signing of the Collective Agreement, the Company agrees that Skilled Tradesmen will be given the opportunity to purchase new tools through the Company at wholesale prices.

**15.21 VACATION PREFERENCE**

- a) It is understood that for vacation purposes, seniority will be



plant-wide for those employees in the skilled trades so affected i.e. an employee shall be able to exercise his/her total plant seniority to obtain vacation preference, while he/she is a Skilled Trades employee.

- b) When applying the above and it is necessary to supplement (on a one to one basis) the skilled trades classifications using outside contractors for prime vacation period (months of July and August) replacements or replacing skilled trades employees on training, the provisions of Article 15.24, Outside Contracting, will not apply.

#### **15.22 LINES OF DEMARCATION**

Where disputes have been resolved pertaining to normal duties and responsibilities in the Skilled Trades area, they will be recorded and used in the future as guidelines for resolving any future disputes of the same or similar nature.

#### **15.23 LIFTER AND EJECTOR WORK**

Lifter and ejector work as it relates to dies will become the responsibility of the Tool Room on the following basis:

- a) When a die is in the Tool Room for repair or at the conclusion of a production run, the Tool and Die Makers will repair lifter and ejector arms and remove/replace electrical devices and ejectors. During this period, broken hose fittings may be replaced by that classification for the purpose of checking the ejector operation before the die leaves the Tool Room. If an air cylinder needs to be completely replaced at this time, the work may be performed by a Tool and Die Maker. All repairs to air cylinders will be performed by the **Millwright** classification. With the exception of the above, any work presently performed by the **Sheet** Metal/Welder classification as it relates to dies, will continue to be performed by that classification.
- b) Section (a) above will apply up to the commencement of a production run. At this point the following exemption will be implemented. The internal repairs to cylinders and all repairs

and replacements of air hoses and fittings will be performed by **Millwright in the normal manner.**

- c) Any electrical work at any time will be performed by the Electrician/Electronics/Construction and Maintenance classification.

#### **15.24 OUTSIDE CONTRACTING**

The following will confirm the Company policy regarding the performance of maintenance or trades work with our own employees and equipment.

It is recognized that at times and for varying reasons, it is not considered practical or advisable for certain work to be performed by our own Company. The Company must, therefore, reserve the right to decide how and by whom any work is to be performed and this Article is not to be regarded as affecting that right.

If the Company has the necessary facilities and equipment and can perform the work required with our own workforce in a manner that is competitive in terms of cost, quality and within projected time limits, it is the Company's intention and desire to keep such work within the Company,

However, no skilled trades employee will be laid off while there is work available that **he/she** can perform within his/her classification.

Prior to using outside contractors, the Company will first advertise, then exhaust all avenues, offering all available hours to the trades employees.

When outside contractors are working at the Budd facility, bargaining unit employees in comparable classifications will be scheduled for at least the same number of hours as those worked by the outside contractor's employees.

In the event of a major layoff of Skilled Trades, the Company will retain the required Skilled Trades for any preventative maintenance program that is in effect.

If the Company finds it necessary to contract out maintenance or trades work performed by its own employees, the Company will notify the Union in advance of such work being performed and the Company will describe the general nature of scope, including estimated trades and manpower involved, approximate dates within which the work is to be performed and why the service of outside contractor(s) is being contemplated at such time.

The Union will be permitted to have members of the appropriate skilled trades attend any such meetings.

**When applying all available hours the Company will offer twelve (12) hours, seven (7) days a week, by offering four (4) hours early and over, Monday to Friday.**

**Saturday and Sunday will be six (6) hours over for "A" Shift, "B" shift will be two (2) hours early and four (4) hours over, and "C" shift will be offered four (4) over.**

**The above will apply unless otherwise mutually agreed upon by the Company and the Union. The provisions of article 10.01 of the Collective Agreement will apply.**

**15.25** When the Company is considering the introduction of technological change affecting Members of the Bargaining Unit, the Union shall be notified and kept up-to-date as new developments arise and modifications are made.

The Company agrees to provide for continuing consultation and co-operation with the Union in respect to relocation and/or retraining of employees who are displaced as a result of the introduction of new technology or modification of existing equipment.

**15.26 STEADY "A" SHIFT**

**During 2000 negotiations the Company recognizes the need to maintain the levels of tradesman/woman on the Steady "A" shift and commits to maintain the current manpower on Steady "A" for the life of this agreement.**

**ARTICLE XVI  
GENERAL PROVISIONS**

**16.01** Should an employee request time off from **his/her** supervisor or alternate for personal relief, a substitute will be provided.

**16.02 WORK FORCE INFORMATION**

The Company will inform the Plant Chairperson or **his/her** designate of any impending layoffs or recalls or major increases in the work force.

**16.03** Non-supervisory employees of the Company, who are not covered by this Agreement, shall not perform any of the work regularly performed by employees covered by this Agreement.

**16.04 SPARE CLASSIFICATION**

Employees so classified, will be subject to all the terms of the Collective Agreement and will be paid ten cents (\$.10) per hour above the earnings of the job on which **he/she** is working.

The classification shall be subject to Job Postings as outlined in Article VIII.

**16.05 LEADHAND**

The leadhand leads a group of people in a particular classification, **He/she** performs the regular duties of the group and in addition, assigns work to the individual under **his/her** direction. He reports directly to the Supervisor of the department and will not be involved with the hiring, separation, or formal disciplinary procedures of the Company. He shall be subject to all the terms of the Contract.

**16.06**

- a) The non-incentive leadhand, while leading, shall receive thirty-five (\$.35) cents per hour above **his/her** present rate or above the highest rate of any classification in the group which **he/she** leads, whichever is greater.

- b) The incentive leadhand, while leading, shall receive P.H.R. or fifteen cents (\$.15) per hour above the average rate of all the paypoints **he/she** leads, whichever is greater.
- c) The ratio of leadhands to other employees on overtime will not exceed one (1) to fifteen (15) or part thereof.
- d) When it becomes necessary to lay off a leadhand(s) due to a reduction in the workforce, seniority will be the determining factor and the most junior leadhand in the departmental classification will be laid off. This does not preclude the right of the Company to demote or promote leadhands, nor will the provisions of Article 8.16 apply to leadhands.
- e) Any employee returning from the position of leadhand will, seniority permitting, displace the most junior employee in his/her departmental classification, failing that he will exercise **his/her** seniority in accordance with Article 8.06.
- f) Any employee laid off from **his/her** original classification to another classification within **his/her** department and is subsequently made up as leadhand, will have the option to refuse the recall to **his/her** original classification.
- g) An employee may be made up as a temporary leadhand to cover for leadhand absenteeism or for an off-shift situation, **He/she** will be paid as per paragraphs (a) or (b) above. **He/she** will be returned to **his/her** former job at the completion of the assignment.

Any employee who is made up as a temporary leadhand may participate in leadhand overtime similar to a regular leadhand. When the low **person** concept applies, **he/she** will assume the highest leadhand hours in the department **he/she** moves to. On return, he/she will assume the highest hours in **his/her own**ership or 10.03(4) for less than 10 days if applicable. **He/she** will not be eligible for non-leadhand overtime for the same period **he/she** was eligible for leadhand overtime.

Whenever a vacancy occurs in a leadhand position other than a temporary vacancy, the Company will make up a permanent leadhand to fill the vacancy.

- h) (i) When scheduling leadhands to work non-leadhand overtime, they will be the last in their classification in their department to be asked.

- (ii) If it becomes necessary for a department to ask employees from another department to work overtime, the leadhand(s) of that department will be asked to work overtime in accordance with their overtime hours i.e. as per Article 10.03(2).

#### **16.07**

- a) Leaders report directly to the Supervisor of the department and will not be involved with the separation or formal disciplinary procedures of the Company. **He/she** shall be subject to all the terms of the Collective Agreement.
- b) Leaders will equalize overtime individually, within their respective classification and/or their area ownership.
- c) When scheduling Leaders to work non-leader overtime, they will be the last in their classification in their department to be asked.

#### **16.08 AIR HOSES**

- a) The construction of new air hoses for use in the Press Shop and the connection of same, will continue to be performed by Die Setters. This practice will be limited to the initial set-up of press lines when required. After the initial set-up when the line is in production, air hoses will be maintained and/or replaced by **Millwrights** in the usual manner.
- b) The transporting of active dies is the job of a Die Setter. We agree from time to time, the Die Storage Attendant will have to go outside and bring in a die related to Toolroom functions on the off-shift because it was not scheduled for the "A" shift or was not done by the "A" shift Die Setter,

Normally the Die Storage Attendant will take and receive dies from the drop-off area, located by steel receiving.

It is also agreed, that first thing on "A" shift, if the Die Setter has got excessive work, the Die Storage Attendant will work with **him/her**, by locating the blocks to go under the die until **he/her** gets caught up.

#### **16.09 CHANGE OF ADDRESS**

Employees shall notify the Personnel Department and the Union within five (5) working days of any change of address and phone number; such notice to be given by registered mail or in person, and they shall receive a receipt from the Company that such notice has been given. The Company shall be entitled to rely upon the address shown upon its record in the Personnel Department. Employees with unlisted phone numbers are responsible for advising appropriate management personnel of their phone numbers.

#### **16.10 BULLETIN BOARDS**

The Company will furnish bulletin boards, both inside and outside each cafeteria, for the Union's use. The Union will submit all notices to the Labour Relations Manager, or **his/her** designate, prior to posting on such boards.

The Company will also set up publication racks at suitable locations. These racks will be used by both Company and Union to enable employees to receive official publications. The Union will submit such publications to the Labour Relations Manager prior to circulation.

#### **16.11 PREVAILING HOURLY RATE (throughout)**

- a) Incentive employees - Prevailing hourly rate is the average hourly rate earned, not including overtime premium or shift premium, for the hours worked during the last pay period prior to the period for which the prevailing hourly rate applies. Employees who have worked all their hours in a week at P.H.R. will not have their P.H.R. reduced for that week.

- b) Non-Incentive employees - Prevailing hourly rate is the current hourly rate not including overtime premium or shift premium in effect immediately prior to the period for which the prevailing hourly rate applies.
- c) All premiums applicable to the period for which the prevailing hourly rate is paid, will be paid in addition to the prevailing hourly rate.

**16.12 CUSTOMER OR SUPPLIER FACTORY  
VISITATION BY PLANT PERSONNEL**

- a) Employees performing work at a customer's or supplier's plant, will be paid their prevailing hourly rate for hours worked, and the applicable premium for the travelling if done outside the employee's regular working hours.
- b) The employees will be paid reasonable expenses for accommodation and meals providing a receipt is submitted.
- c) The employees will be paid a gas allowance in accordance with the mileage rate established by the Company when authorized to use their own cars.
- d) The employees involved in these situations to be selected from the classification first.
- e) For the purpose of equalization: Those employees working out of the plant will only be charged with hours worked outside the plant. The Company will notify stewards, no later than Monday by 9:00 a.m., on what hours are to be charged to those individuals.

It is not the intent of the Company or the Union to penalize employees when they are performing Company business. (e.g. training, vendors, suppliers, O.E.M.S.)

- f) **This will also apply to Union leaves of absences on the rules of overtime equalization.**



**16.13 PAYMENTS**

- a) Where a shortage in an employee's pay exceeds fifty dollars (\$50.00) gross and the error was not one where the employee was at fault for not notifying the Supervisor of facts (in accordance with prescribed procedures) that would have prevented the error, then the Company will, upon request of the employee, pay **by cheque**.
- b) Employees will be paid on a weekly basis.

**16.14** The Company will supply the Union with a list including the classifications to which coveralls are being supplied at the Company's expense, as of the date of this Agreement. The Company agrees to continue such practice during the term of this Agreement.

**16.15 FLASH CURTAINS**

The initial construction and installation of flash curtains will be performed by an appropriate skilled trades. Thereafter, the make-up and hanging of flash curtains will be done by Labourer-Janitors.

**16.16 TUITION AID**

The Company agrees to continue its employee tuition program for the life of the Collective Agreement.

**16.17 JOINT ORIENTATION PROGRAM**

The program as established will continue through the life of this Agreement. Any revisions to the program will be limited to those subjects agreed to by the Company and Union.

The program does not limit any other communication by Management with its employees or the Union with its members and the program will not be subject to the Grievance procedure.

**16.18** Subject to Part I of the Income Tax Act, an employee's income for a taxation year from employment is the wages and other remuneration received by **him/her** in the year.

“Received by **him/her** in the year” is interpreted to mean credited to the employee’s bank account within the calendar year commencing January 1st and ending December 31st.

**16.19 OUTSOURCE OF PRODUCTION JOBS**

It is the Company’s intention to continue its present practice to meet with the Union when the need arises to outsource production jobs. It is the Company’s intent to explain the reasons, which jobs, and the estimated time such production jobs would be outsourced.

**16.20 FOUL WEATHER GEAR**

The Company will continue the established practice of supplying winter coats to employees who are required to work outside on a regular basis and will also continue to **supply, when necessary**, rainhats, boots, coats, and winter coats for employees required to work outside.

The Company will continue the practice of arranging a supplier of coveralls for any employee who wishes them at **his/her** own cost.

**16.21** The Employee Relations Manager **or his/her** designate will supply to an employee, upon written request, information as to time, date, place and wages pertaining to **his/her WSIB case**.

**ARTICLE XVII**

**HEALTH, SAFETY AND WORKING ENVIRONMENT**

The Company recognizes its obligation to provide a safe, healthful working environment for all employees.

The Union recognizes its obligation to co-operate in maintaining and improving a safe and healthful working environment.

The parties agree to use their best efforts jointly to achieve these objectives.

**17.01 SAFETY REPRESENTATIVE**

a) The Company agrees to recognize one (1) elected Safety Representative.

- b) The amount of time necessary for the Safety Representative to function, shall be determined on the basis of the number of employees in the plant in accordance with the following schedule.

Number of Employees	Hours per Week
1,001 or more	40
1,000- 751	32
750- 501	24
500-251	16
Less than 250	8

- c) The Safety Representative will be paid at the rate of the highest paid skilled trade classification plus fifteen cents (\$.15) per hour.
- d) The functions of the Safety Representative shall be conducted on the "A" shift, and shall exclude any overtime hours.
- e) Preferential seniority will be granted to the Safety Representative as outlined in Article 8.17 of the Collective Agreement for the purpose of layoff and recall.
- f) Union officials sitting on the Joint Health and Safety Committee, shall consist of the Safety Representative described above, plus four (4) additional Union Representatives appointed by the Bargaining Committee every three years.

**17.02 FUNCTIONS OF SAFETY REPRESENTATIVE**

The functions of the Safety Representative will be as follows:

- a) Meet at least once per month or more frequently as mutually agreed upon, at a mutually agreed time and place with Company health and safety representative(s) to review health and safety conditions within the plant and to make recommendations as are deemed necessary or desirable.

- b) Make weekly inspections of the plant with Company health and safety representative(s) to ensure there is a safe, healthful and sanitary working environment.
- c) For purposes of making safety and health inspections, the National Union Safety and Health staff representatives will, with advance notice, have access to plant and locations where members of the Union are employed.
- d) Receive prompt notification of any fatalities or serious injuries resulting from work-related accidents and in addition to be informed of major accidents that did not result in serious injury but indicate a high potential for such.
- e) Receive all accident report(s) covered in (d) above.
- f) Review, recommend, and participate in the development of plant safety education and information programs and employee job-related safety training programs.
- g) The Company will make available up-to-date sampling and monitoring equipment for measuring noise, carbon monoxide, and air flow, and will train the Union safety representative in their use.

When the conditions in the plant indicate it is necessary to conduct tests with such equipment, such tests will be performed jointly at the request of Company or Union safety representatives.

- h) Accompany Government health and safety inspector(s) during **his/her** regular inspections or as requested by the Union and receive a copy of an order(s) issued by the Government inspector(s) as a result of such inspection.

Will receive copies of any other reports by anyone other than those listed above prior to such reports being posted on plant bulletin boards.

- i) Receive a copy of any pictures taken during a joint investigation of any accident, safety-related incident or condition,

**17.03** In addition to the Joint Health and Safety Meetings referred to in Article 17.02(a), at the request of either party, the Joint Committee will conduct special meetings at a mutually agreeable time to review other safety matters such as:

- a) Material Safety Data Sheets and any problems that may arise in the use of chemicals in the plant.
- b) Accident Investigation Reports - for the purpose of developing recommendations to prevent similar accidents from occurring.
- c) Safety-related work orders, Safety Department written directives and Departmental Health or Safety issue(s) which have not been acted on for a two week period after proper notification was given to the department head involved. In such cases, the department head will be required to attend a meeting to advise the Joint Committee of any reasons for the delay in addressing the issue(s).
- d) Items reviewed at a Joint Health and Safety Meeting referred to in Article 17.02 for which an action plan, including dates of completion, has not been received within a one month period of the Committee issuing a directive. In such cases, this matter will be forwarded to the Production Manager and the Local Plant Chairperson for correction.

**17.04 NECESSARY PROTECTIVE EQUIPMENT**

The Company will continue as in the past to provide at no cost to the employee, necessary protective equipment, devices and clothing.

**17.05 TOXIC MATERIALS**

The Company will continue to disclose the identity of all known physical agents or toxic materials to which workers are exposed. Also, symptoms, medical remedies and antidotes at the request of the Union,

#### **17.06 MEDICAL FACILITIES**

The Company agrees to provide adequate medical facilities and to maintain staff at its present level of competency. The Company will staff the Medical Centre with a competent person(s) on overtime in the following situations: a) when Press Shop line(s) or Assembly module(s) are scheduled or b) **vacations shutdown as required, or c) major installation or repairs as defined by skilled trades management with input from the skilled trades committee person.**

#### **17.07 EXPOSURE TO HARMFUL AGENTS**

- a) The Company will provide to employees who are exposed to potentially harmful agents or toxic materials at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric and lung function examinations at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also to provide the specific tests required for employees in jobs with special physical requirements.
- b) Provide to each employee or **his/her** physician, upon written request of the employee, a complete report of the results of any such tests or examinations, and will review the test results with the employee prior to release.
- c) **The Company agrees to provide access to the Canadian Center for Occupational Health and Safety (C.C.O.H.S.) CD to the Union Safety Committee Chairperson through the Company Safety Representative.**

**17.08** The procedures established in this Health and Safety Program shall not preclude the right of any employee to file a grievance at Step I of the Grievance Procedure. The primary responsibility of resolving differences involving health and safety matters remains with the Management and Bargaining Committee.

**17.09** No employee will be disciplined in the event that he/she has complied with The Occupational Health and Safety Act, as at January 1, 1996.

Health and Safety in the Plant will be applied as per the Ontario Occupational Health and Safety Act in force as of January 1, 1996.

- 1) The Company shall ensure that all employees are informed that they have the right to refuse work which may harm them or any person and that signs are posted in the workplace advising of this right.
- 2) If a worker exercises his/her right to refuse he/she shall notify his/her supervisor, who then will notify a Union member of the Joint Health and Safety Committee. He/she shall stand by in a safe place and participate fully in the investigation of the hazard.
- 3) The Union Co-Chairperson or his/her designate shall fully participate in the investigation at every stage and may recommend a solution to the problem.

#### EMPLOYEE'S RIGHT TO WORK SAFELY

- 4) (a) No employee shall be discharged, penalized, coerced, intimidated or disciplined for acting in compliance with the Ontario Occupational Health and Safety Act, in force as of January 1, 1996, its regulations and codes of practice and environmental law, regulations or codes of practice.  
  
(b) No employee shall be discharged, penalized, coerced, intimidated or disciplined for refusing to work on a job or any workplace or to operate any equipment where he/she believes that it would be unsafe or unhealthy to him/herself, a fetus, workmate, or the public or where it would be contrary to the applicable Federal, Provincial or Municipal health and safety or environmental laws regulations or codes of practice.

- (c) For the employee who refuses work under this Article and all employees affected by the refusal and any direction under Article XVII, there shall be no loss of pay, seniority or benefits during the period of refusal.

**17.10 PERSONAL PROTECTIVE EQUIPMENT**

- (a) The wearing of safety glasses and safety shoes is compulsory throughout the plant and this rule is a condition of employment.
- (b) The Company will purchase the first pair approved prescription safety glasses that conform with CSA Industrial Safety Glasses Standards provided such glasses are purchased through a participating provider service recommended by the Company (example Sears).

Employees may purchase required safety glasses through a provider service of their own choice in which case the following reimbursement schedule will apply:

Single Vision .....	\$50.00
Bifocal .....	70.00
Trifocal .....	95.00

The Company will also participate as provided above where a new prescription for industrial safety glasses is required. There will be no duplication of payment.

The Company shall repair, or cause to be repaired without cost to the employee, approved prescription safety glasses that are accidentally damaged during the course of **his/her** employment. Replacement will not be made for breakage due to personal negligence or carelessness. The Company will provide non-prescription safety glasses for all employees and will repair, or cause to be repaired without cost to the employee, any safety glasses that are accidentally damaged during the course of employment.



- (c) The Company will participate in the purchase of approved Safety shoes to the extent of eighty-five dollars (\$85.00) **(effective April 22, 2002 increase to one hundred dollars (\$100))** toward one (1) pair of safety shoes per employee during any one (1) calendar year. For employees of the Shipping Department who are required to work outside on a regular basis, the Company will participate in the purchase of winter safety shoes to the extent of eighty-five dollars (\$85.00) **(effective April 22, 2002 increase to one hundred dollars (\$100))** towards the purchase of one (1) additional pair per employee during any one (1) calendar year.
- (d) The wearing of hearing protection will be compulsory in those areas designated and is a condition of employment.
- (e) The Company will provide hearing protection at no cost to employees and will replace, repair, or cause to be repaired without cost to the employee, any hearing protection that is accidentally damaged during the course of employment if not due to personal negligence or carelessness.

#### **17.11 UNSAFE CONDITION**

- a) Any fixture or jig or moving machine which is in an unsafe or hazardous condition, shall be “red tagged” until it is made whole.
- b) The following procedure for correction of unsafe conditions caused by malfunctions will apply plant-wide. It is the intent of the parties to use sound judgment and common sense in its application.
  - 1) When an unsafe condition is observed by any person, the production **supervisor** having jurisdiction over the equipment in question will be paged over telecontrol to the location and corrective action will be initiated immediately. Examples of unsafe conditions are:
    - (i) Press drifting
    - (ii) Presses or fixtures double cycling

(iii) Hazardous conditions caused by machinery malfunction.

- 2) The production of parts will cease at that point and no part will be loaded into the press until it is made safe, unless it is absolutely necessary in order to cycle the press for testing purposes.
- 3) The production **supervisor** may cycle the press in order to observe the hazard. In any event, **he/she** will contact the maintenance **supervisor** in charge of the area and advise **him/her** of the situation. An electrician and **millwright** will be paged to the location or assigned by the maintenance **supervisor**.
- 4) The skilled **tradesman/woman** will cycle the equipment the necessary amount of times in order to make an evaluation with the maintenance **supervisor** present. The operator or the person who first observed the hazard will also be present.

No unskilled employees will operate such equipment or assist trades in any way until skilled trades gives the equipment back to production.

- 5) If any one of either the maintenance **supervisor**, the electrician or the **millwright** determines that a hazard exists, the machine will be "locked out" and a tag will be dated and signed by one of the **tradesmen/women** and the maintenance **supervisor** and placed in position.
- 6) The **tradesmen/women** will check and test all devices on the equipment that may be responsible for the existing malfunction. All necessary repairs will be effected. (Check Sheet).
- 7) In the event the job carries into the next shift, the original danger tag will remain in place and the machine will be "locked out". The next **tradesman/woman** and mainte-

nance **supervisor** will date and sign another danger tag and follow the same procedure.

- 8) If it is found that the hazard must be corrected by a major repair which will take more than two (2) shifts, the electrician will remove the main fuses and deposit them in the maintenance office. He will danger tag the main disconnect accordingly.
- 9) When the job is finished, the tradesman will call **his/her supervisor** and the production **supervisor** back to the press. The equipment will be cycled as necessary to establish that the hazard has been corrected.

The maintenance **supervisor**, production **supervisor**, electrician, and **millwright** will mutually agree that the equipment is safe within the confines of present day technology before the danger tags and "lock out" are removed and the press is handed back to production.

- 10) In reference to Section 5 above, if all representatives of the maintenance department agree that no hazard exists and a disagreement prevails, a Union member of the Joint Safety Committee will be brought to the location. The matter will be discussed in detail with the people concerned. This will not prevent the job from continuing with another seniority employee providing **he/she** is advised as to the reason the job was shut down.
  - 11) None of the foregoing will effect an employee's rights as outlined in Article 17.08 of the Collective Agreement.
- c) The Company will install a "lock out system" on machinery and equipment in conformity with the Department of Labour Standards. The Company will set up a training program for employees utilizing the "lockout system". **This training is to be done at the time of hiring and hands on upon entering assigned departments.**

#### **17.12 INJURIES IN THE PLANT**

Employees injured in the plant who are treated in the Medical Centre and returned to work on the same shift, shall sustain no loss of earnings for the time lost during that shift. Employees booked off to be sent home or to the hospital because of industrial accident or industrial illness, shall be paid the prevailing hourly rate for the balance of that shift including any scheduled overtime. Employees who continue working on light duty, will be entitled to prevailing hourly rate while working the four (4) consecutive calendar days immediately following the date of the injury.

**17.13** An employee who sustains an injury in the plant shall be paid his/her prevailing hourly rate for the time lost on **his/her** shift the following day and on subsequent days if after reporting to the Medical Centre he is first cleared to begin work and later instructed by the Medical Centre to obtain immediate outside medical attention. The Company will supply and pay for transportation to the hospital or doctor's office, and then to the employee's home if required.

**17.14** The Company will supply a mobile ambulance-type stretcher for emergency purposes.

**17.15** The Union agrees to treat in a confidential manner all data, information or reports supplied to the Union.

#### **17.16 SAFETY TRAINING**

a) An employee entering the **press operator** classification without previous formal training in that classification, or in any case where an employee has not worked as a **press operator** for a period of one (1) or more years and is transferred to that classification shall be required to participate in a five (5) day training program established by the Company.

Should an employee be transferred into **press operator** classification within the above-mentioned one (1) year period, he/she will be reinstructed on the safety procedures incorporated in the Press Department, as established by the Joint Health and Safety Committee prior to being assigned to perform work in that classification.

During the period of training, seniority employees will not own a paypoint and will be paid the pre-production rate for runtime and downtime, (including any assignment paying base rate) or the rate of the job whichever is greater. New employees will be paid base rate or the rate of the job whichever is applicable.

- b) When employees are assigned to an area with which they are not familiar (eg. Any automated job in assembly or the press shop including the blankers, etc.) they will be given an overview of the safety procedures unique to the area, **and** **equipment involved and will not be left alone until the operator can demonstrate competence in operating the equipment.**

**17.17** The Company will train and educate those involved (Pipefitters, **Oilers, and** Labourer/Janitors) in the use of chemical agents as per the Occupational Health and Safety Act in force as at January 1, 1996.

**17.18** When there is an accident or near mishap, or when there is a safety-related work refusal, the Company or Union Safety Representative contacted, when reasonably practical, will make every effort possible to contact **his/her** counterpart before beginning **his/her investigation of the incident.**

## **ARTICLE XVIII BENEFITS**

### **18.01 BENEFITS INCLUDED**

Eligible employees covered by this Agreement shall receive the death and dismemberment plan, a group non-occupational sickness and accident plan, a prescription drug insurance plan, the Ontario Health Insurance Plan with a supplementary semi-private plan, a dental insurance plan, visual care plan, a home nursing plan, prosthetic appliances, chiropractic services, durable medical equipment plan and a hearing aid expense benefit program.

All are subject to and in accordance with the terms and conditions as set out in this article and in said plans.

**18.02 PREMIUMS**

The Company agrees to assume responsibility for one hundred percent (100%) of the premium rates plus any and all increases during the life of the collective agreement for eligible employees which are or may be established for any of the foregoing plans (or any insurance plan or program established by government legislation which replaces in part or in full, any of the foregoing plans.

If there is a reduction in premium cost of any of the foregoing plans for any reason, including the introduction of any insurance plan or program established by government legislation, any saving resulting from such reduction shall accrue to the benefit of the Company, notwithstanding any legislation to the contrary.

**18.03 BENEFIT PLANS AND WSIB REPRESENTATIVES**

- a) The Company agrees to recognize one (1) **WSIB** and one (1) Benefit Representative who will be elected or appointed.
- b) The **WSIB** Representative and the **Benefits Representative** will be paid at the rate of the highest paid skilled classification plus fifteen cents (\$.15) per hour.
- c) The amount of time necessary for each representative shall be determined on the basis of the number of employees in the plant in accordance with the following schedule:

Number of Employees	Hours per Week
1,001 or more	40
1,000 - 751	32
750 - 501	24
500 - 251	16
less than 250	8

- d) The functions of the Representatives shall be conducted on the "A" shift.
  - (i) Preferential Seniority will be granted to the Representatives as outlined in Article 8.17 of the Collective Agreement for the purpose of layoff and recall.
  - (ii) When it is necessary for the Representatives to speak to an employee about a benefit plan matter, **he/she** will make prior arrangements with the employee's supervisor to do so.
  - (iii) The Plant Chairperson shall advise the Company Employee Relations Manager in writing of the name of the **WSIB** and Benefits Representatives. No representative shall function until the Company has been so advised.

**Functions**

The functions of the Local Representatives are limited to matters pertaining to the Pension Plan, Insurance Programs, Workers' Compensation and the Supplemental Unemployment Benefit Plan, The Local Representatives will:

**1. Pension Plan**

- a) Discuss and assist in the resolutions of employee, retiree and surviving spouse problems, related to credit service, possible benefit eligibility, benefit amount, determination delays, payment delays.
- b) Meet with the Company Personnel Benefit Representative or other designated local Management Representative as required.
- c) Will be a member of the Local Pension Board of Administration,

**2. Insurance Plan**

- a) Confer with employees, spouses, retirees or beneficiaries regarding coverage, eligibility, a denied claim, benefit amounts, benefit payment delays.
- b) Meet with local Company Personnel Benefits Representative or other designated local Management Representative as required.
- c) Meet with providers in conjunction with Company Representatives when such meetings are arranged by mutual agreement of the parties involved for the purpose of clarifying and interpreting plan provisions and Provider administration practices.
- d) Confer with Provider representatives designated for that purpose on matters relating to determination of evidence and documentation necessary to perfect a claim for benefits and to secure an explanation of the reason or reasons for denial or reductions in benefits.

**3. Supplemental Unemployment Benefit Plan (SUB)**

- a) Confer with employees regarding eligibility for benefits under the SUB Plan, a denied or suspended benefit or questions concerning appeal procedures under the SUB Plan.
- b) Meet with Management Representatives as required.
- c) Will be a member of the Local Supplemental Unemployment Benefit Plan Committee.

**4. WSIB**

- a) Assist employees in all aspects of Workers' Compensation Board claims and appeals.



ARTICLE XIX  
COST OF LIVING ALLOWANCE

**19.01** The Cost of Living Allowance payable effective at the beginning of the first pay period commencing on or after May 1, 2000 will, after adjustment per Article 19.02, be applied to the present COLA float and will be based upon the average of the CPI's published in January, February, March, 2000.

**19.02**

- a) The Cost of Living Allowance payable effective at the beginning of the first pay period commencing on or after May 1, 2000 shall be determined herein on the basis of the Consumer Price Index published by Statistics Canada (1986=100).
- b) Continuance of the Cost of Living Allowance shall be contingent upon the availability of the Consumer Price Index for Canada in its present form.

If Statistics Canada changes the form or the basis for calculating the index, the parties agree to ask Statistics Canada to make available, for the life of this Agreement, a monthly index in its present form.

- c) Adjustments in the Cost of Living Allowance during the period of this agreement, shall be made at the following times;

<u>Effective Date of Adjustment</u>	<u>Based Upon Three Month Average of the Consumer Price Index for:</u>
-------------------------------------	--

First pay period beginning on or after May 1, 2000 and at three calendar month intervals thereafter to February 2003.	January, February, March, 2000 at three calendar month intervals hereafter to October, November, December, 2002.
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- d) Effective Monday, May 1, 2000, and for the next eleven (11) three month intervals as provided in paragraph (c), the Cost of Living Allowance shall be in accordance with the following table:

	<u>Incentive</u>	<u>Non-Incentive</u>
142.7	\$4.01	\$.05
142.8	4.02	.06
142.9	4.04	.08
143.0	4.05	.09
143.1	4.06	.10
143.2	4.08	.12

and so forth with one cent (\$.01) adjustment for each .073 change in the average index for the appropriate three month period as indicated in 19.02(c) continuing through adjustments effective February 1, 2003.

- e) In determining the three month average of the indexes for a specific period, the computed average shall be rounded to the nearest 0.1 index point.
- f) In no event will a decline in the three month average combined indexes below **142.7** provide the basis for a reduction in the wages scale by job classification.
- g) In the event Statistics Canada does not issue the appropriate indexes on or before the beginning of one of the pay periods referred to in 19.02 (c), any adjustment in the allowance required by such appropriate indexes shall be effective at the beginning of the first pay period receipt of the indexes.

**19.03** No adjustment, retroactive or otherwise, shall be made in the amount of the Cost of Living Allowance due to any revision which later may be made in the published figures used in the calculation of the Combined Consumer Price Index for any month on the basis of which the allowance shall have been determined.

**19.04** The amount of the Cost of Living Allowance in effect at any time does not form part of an employee's hourly rate or base rate, but shall be taken into account in computing pay for vacations, holidays, P.A.A., call-in, reporting pay, jury pay, and bereavement, and will be included in weekly bank deposits as an addition to regular earnings for hours worked.

**19.05 ENGINEERING METHOD OF ROUNDING**

The following rules of rounding shall apply to the determination of the Consumer Price Index:

- 1) If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
- 2) If the left most of the digits is discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits, 130.557 becomes 130.6.
- 3) If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.

**ARTICLE XX  
OWNERSHIP**

**20.01 LINE OWNERSHIP • PRESS SHOP •  
DEPARTMENT 110 (which includes Dept. 109)**

Lines 1,2,3,4,5,6,8,9,10,11,12,13,14,15,16 blankers are available for ownership. Operators successfully bidding for a line will own that line and will operate on that line subject to the following rules:

- a) It is agreed line ownership for the day will be effective at the time the operators are scheduled on paper for the daily posting of jobs. People assigned to a code 19 at the beginning of their shift, will own the first job assignment for the day. This does not supersede the seniority provisions of Article 8.06 as it relates to line and/or job ownership.
- b) If an employee is late and the Company has replaced him with another employee, he/she will lose his/her line ownership. However, should a vacancy become available or other job start up on his/her owned line, he/she will return provided he/she has seniority to do so.
- c) At the beginning of a shift, spare(s) will be assigned by seniority to cover for absenteeism and/or additional manpower on an ownership line(s). After being assigned to a line, they will own that line for the day, providing there is no elimination of manpower on that line in which case spares will be removed, the most junior spares first.
- d) If at the beginning of a shift a line is down for whatever reason(s), and it is necessary to reassign those employees, they are to be assigned as a group by seniority to any open job prior to any spares being assigned to the open job. The most senior employee from owned lines that are down, will be the determining factor as to which group will be reassigned to open jobs.
- e) After the above procedures have been followed and there are still people out of work, the Company will at this time combine spares and ownership people that are out of work and reassign those people by seniority to any available jobs in the department first.
- f) When one (1) or two (2) jobs on a line goes down, the operators on the job going down will be reassigned by seniority. This is providing all others remaining on the line own the line. Otherwise, those not owning the line will be replaced by seniority.

- g) Should one press go down, the junior person of that group will be reassigned.
- h) Any operation moved to another line will become part of the line it is moved to.
- i) Lines starting back up will be filled by those affected at the time of shutdown providing they are not working on an incentive job. Ownership people as per 20.01 preamble plus any spares who started that line at the beginning of the shift, must return to their ownership line when work becomes available on that shift.
- j) Emergency start up after six (6) hours of work will be classed as open for the remainder of the shift. It is understood that "emergency" is for that line which would have to run in order to supply immediate assembly requirements. This clause will not be used to circumvent press shop downtime nor will it be used to circumvent item (j). It is further understood that an emergency would not exist if parts were available in stock.
- k) For application of seniority in regards to layoff, **incentive press operator, press operator spare classification and Day Rate press operator**, will be combined.
- l) **When a press line is scheduled down for preventative maintenance, the terms of Article 8.09 will not apply up to 30 days, It is understood that the 30 period will begin from the first day the line undergoes the scheduled maintenance. It is also understood that the press shop Committeeperson will be notified prior to a line starting the scheduled maintenance period.**

#### **20.02**

- a) For weekend and holiday overtime distribution as outlined in Article 10.03, those normally performing the work will be those who own the line as per Article 20.01.

- b) For overtime required during the regular work week (i.e. Monday to Friday inclusive), if the Company is unable to obtain sufficient ownership employees among those performing the job, they will offer the opportunity to work to those owning the line as per (a) above; then those owning the line through assignment by the low **person** concept.
- c) After having complied with (a) or (b) above, should there be an additional requirement for employees to work overtime, **press operator** and **press operator** spares will be combined and such overtime will be offered by the low man concept.
- d) Should a line be scheduled for overtime, the Company may bring in **press operator** or **press operator** spares to cover for absenteeism.

### **20.03 RESTRIKE OR AFTER PRODUCTION SERVICE PARTS**

When a pressman is assigned to a restrike operation for repairing parts, **or after production service parts, he/she** will be paid P.H.R. until a temporary rate is established. It is understood that this will not set a precedent for any other operation.

### **20.04 JOB OWNERSHIP - QUALITY ASSURANCE**

- 1. Quality Assurance job ownership shall be by the job, area and department, as follows:

Area #1 -- Departments 101,109 and 110 combined (101 located in 110) consisting of: press lines, steel receiving, press shop repairs, warehouse requirements.

Area #2 -- Department 122 consisting of sub-assembly, final, weld audit and dimensional final inspector.

**Area #3** -- Department 117 consisting of dimensional weld audit inspector, and sub-assembly inspector.

Area #4 -- Department 208, all jobs in shipping including major repairs.

Area #5 -- Quality Assurance Spares.

**Note: Press Shop Repairs will be attached to Department 110. Shipping repair area will be attached to Department 208 - shipping.**

2. Any vacancy in any job will be posted and awarded in conformity with Article 8.10 of the Collective Agreement.
3. (a) For the purpose of familiarization, an employee who requests or is requested to rotate positions within an area, may do so provided prior permission has been granted and suitable arrangements can be made for a counterpart.  
  
(b) It is further understood and agreed that the Company will rotate employees within their area for familiarization purposes, such period of time not to exceed two (2) weeks unless mutually agreed to by both parties. Such moves to be limited to one (1) in a six (6) month period.
4. Layoff and recall will be the same procedure as outlined in Article 8 of the Collective agreement.
5. Floor inspector spare is designed to cover for absenteeism within the floor inspector classification.
6. The ratio of floor inspector spares scheduled to Moor inspectors on weekend overtime will not exceed one (1) to ten (10) except as outlined in (7) and (9) below.
7. If, during a regular workday, i.e. the twenty-four (24) hour period from the start of the shift, a job is scheduled to work overtime, those on the job at the time the overtime is scheduled will be given the opportunity to work the scheduled overtime. This includes floor inspector spare, if **he/she** was working on the job at the time the overtime is scheduled.
8. (a) Overtime will be offered to those employees normally performing the work on the job scheduled for overtime,

using the low overtime hours concept.

- (b) Should the Company be unable to obtain sufficient employees among those people normally performing the job, they will give the opportunity to the employees in the area using the low overtime hours concept.
  - (c) When an area requires additional employees for overtime, the remaining quality assurance inspectors and spares will be combined and offered the overtime using the low overtime hours concept.
9. When scheduling overtime for the green frame repair coverage, the floor inspectors having job ownership in the area concerned will be combined, the low man concept will be used among this group.
10. The Company will supply quality assurance inspectors with the proper tools required to carry out their duties at no cost to the employee.
11. For the purpose of overtime equalization as per Article 10.03 (4), quality assurance inspectors shall equalize within their areas.
- For the purpose of overtime equalization, employees entering Final Assembly on a transfer will assume high hours in Final Assembly. The same concept will apply to any employee transferring into Sub-Assembly.
12. The parties recognize that manpower on owned jobs will vary subject to workload requirements. Accordingly, should it be necessary to combine owned jobs in an area, the most senior employee(s) will be retained.
13. Should it become necessary to combine owned jobs for overtime requirements, the overtime will be offered by the low man concept to those employees owning the affected jobs. The provisions of this clause supersedes (7) and (8) above.



Jobs expected to be combined Monday through Friday, will be considered combined for that weekend's overtime.

14. Prior to instituting (12) or (13) above, the Company will discuss its intent to do so with the Non-Production Committee person or his/her designated representative.
15. The parties agree to the following as it relates to the application of Article 10.03 (overtime distribution) and the inspection of finished products in Plant.

When a finished product is tagged "O.K. to Ship":

- (i) Area #1 - Press Shop Repair Inspector will be responsible for all inspection required on unpainted parts or assemblies and;
  - (ii) Area #4 - Shipping Inspector will be responsible for all inspection required on painted frames, parts/assemblies.
16. When it becomes necessary on a shift to reduce an area, the senior employees who own the area will be retained, thereafter, any employees who were assigned to the area will be retained by seniority.

#### **20.05 JOB OWNERSHIP -ASSEMBLY**

1. Job ownership is by paypoint(s) which is obtained through the job posting procedure.
2. Assembler spares shall own the department to which they job posted.

Assembler spares attached to final assembly as per shift change, will be assigned first by seniority, to cover for absenteeism and/or additional manpower requirements on final assembly. The same concept would apply to sub-assembly.

After the above procedures have been followed and there are still people out of work, the Company will at this time com-

bine spares and ownership **people** that are out of work and reassign those people by seniority to any available jobs in the department first.

3. For application of seniority in regards to layoff, **assembler**, **day rate assembler** and **assembler** spare classifications will be combined.
4. When it becomes necessary on a shift to reduce to a partial crew on a paypoint( the senior employees who own the paypoint(s) will be retained. Thereafter, any employees who were assigned to the paypoint( will be retained by seniority.
5. For the purpose of overtime, the following will apply:
  - (a) Overtime for final assembly and sub-assembly will be equalized separately (same shift concept applies). For the purpose of applying article 10.03(4), employees entering final assembly or sub-assembly will be charged with the high hours in the area.
  - (b) Sub-assembly repairs - low **person** in sub-assembly including **assembler** spare (attached to sub-assembly as per shift change) to be asked first.
  - (c) Green frame hanging and repair - low **person** in final assembly, including **assembler** spare (attached to final assembly as per shift change) to be asked first.
  - (d) Should a sub-assembly fixture scheduled for overtime not be able to obtain enough employees who own that fixture, the Company would then ask the low **people** in sub-assembly, including the **assembler** spare (attached to sub-assembly as per shift change). The same concept would apply to final assembly.
  - (e) Module First Off - Should a module scheduled for overtime not be able to obtain enough employees who own

that module, the Company would then ask by the low person concept in final assembly including the **assembler** spare (attached to final assembly as per shift change). The same concept would apply for sub-assembly.

- (f) If during a regular work day a fixture is scheduled to work overtime within a twenty-four (24) hour period, those employees working on the fixture(s) with ownership at the time the overtime is scheduled, will be given the opportunity to work first.

Thereafter, any employees who were assigned to the fixture(s), will be asked to work using the **low person** concept.

- (g) Should a sub-assembly fixture be scheduled for overtime, the Company may bring in employees to cover for absenteeism using the **low person** concept. The same concept will apply to final assembly.

- (h) When it becomes necessary to reassign employees who are working overtime as per (e) above, such may be assigned only to green frame hanging or repair. The same concept would apply to sub-assembly.

- 6. When module employees are required to be assigned to off line green frame repairs, they will be selected by seniority from all employees on that shift who own final assembly and **assembler** spare (attached to final assembly as per the shift change). The hoist jobs on the module are considered to be green frame repairs.

When a module shuts down during the course of a shift, the senior **people** will be assigned to any green frame hanging or repair that results from the shutdown, not to supersede those previously assigned under paragraph (1) above. This same concept will also apply to sub-assembly repairs.

## 20.06 OWNERSHIP - LABOURER-JANITORS

Labourer-janitor ownership will be by departmental classification, which will be attained through the job posting procedure. When overtime work for Labourer-janitors is scheduled in their department, the following will apply:

1. Overtime will first be offered to the Labourer-janitors in the department with the least amount of overtime.
2. "On the shift the overtime occurs" shall mean:
  - (a) the 7:00 a.m. to 3:00 p.m. and the 7:00 a.m. to 3:30 p.m. shifts will be the same shift for the purpose of overtime scheduling.
  - (b) the 3:00 p.m. to 11:00 p.m. and the 3:30 p.m. to 12:00 a.m. shifts will be the same shift for the purpose of overtime scheduling.
3. If the Company is unable to obtain sufficient Labourer-Janitors in that department, they will give the opportunity to Labourer-Janitors in other departments who have the least amount of overtime in such other departments in the following manner.

### Labourer-Janitor Area Ownership

Area "A" will consist of Departments 110 (including 109 and Blankers), 210, 318 and E-Coat facility,

Area "B" will consist of Departments 117, 122, and 208.

When overtime occurs, the Company will ask in the department using low person concept. After having exhausted the department ownership, the rest of the Area will be exhausted and then the other area using the low man concept in the classification.

Labourer-Janitors in Department 318 who are capable of operating the motorized vehicles for housekeeping, will be

asked to perform overtime work with these vehicles following the procedures outlined in Article 10.03(2). However, this shall not prevent the Company from asking these Labourer-Janitors to perform all labourer-janitor iunctions on overtime should they not be required to operate the motorized vehicles.

**20.07 DEPARTMENT 117 - JEEP SUB-ASSEMBLY OWNERSHIP**

1. All fixtures in Jeep Sub-Assembly will be joint ownership.
2. All employees will be required to rotate through all fixtures, for the purpose of overtime low **person** concept.
3. The intent of this agreement is that all fixtures in sub-assembly will be considered as one (1) for applying all contract language.

**20.08 LIFT TRUCK JOB OWNERSHIP**

1. Lift truck operator **and shipper** ownership as referred to in this Agreement, shall be by job and area as follows:

Area #1 -Department 110 consisting of:

Blankers  
Press lines  
Wash lines  
Parts Washer  
Stock Hauler  
Department 101 - Press Shop Repairs

Area #2

Mercedes - Department 140  
Module  
Sub-Assembly  
Which includes all green frame hanging and repair dropped frames

Area #3

Modules -**Dept. 131, 132, 133, 134, 136**

Sub-assembly -**Dept. 135, 136**

Tip-up

Marshalling Area

Department **208** - Major Repairs - Shipping

Dropped frames and

Green major repairs

**Off load Hydroformed parts**

Area #4 - Department 117 consisting of:

Department 117 Tip-Up

Department 117 Modules

Department 117 Sub-assembly

Area #5 -- Module KD Operation

Scrap house & yard requirements including filling of propane bottles

Shipping requirements other than a full frame

**Receiving purchase parts and Hydroforming feeding will be responsible for the loading of all outgoing bumpers and receiving of the 360 bumpers back into the plant**

Area #6

Marshalling Area

Department 128

**Area #7 – Department 208**

**Area #8 -Spares**

1. Lift Truck spares are designed to cover for absenteeism or additional manpower requirements within the lift truck classification.
2. The parties recognize that the **level of workers on** owned jobs will vary subject to workload requirements. Accordingly, should it be necessary to combine owned jobs, the most senior employee(s) will be retained in an area after combining owned jobs.

3. Should it become necessary to combine owned jobs for overtime requirements, the overtime will **be offered by the low person** concept to those employees owning the affected jobs. The provisions of this clause supersede items (5) and (6) listed below.

Jobs expected to be combined Monday through Friday, will be considered combined for that weekend's overtime.

4. Prior to instituting either (2) or (3) as outlined above, the Company will discuss its intent to do so with the Non-Production Committee person or his/her designated representative.
5. The ratio of Lift Truck Operator Spares to Lift Truck Operator will not exceed one(1) to ten(10) when scheduling weekend overtime except as outlined in items (6) and (7) below.
6. If during a regular workday - i.e. the twenty-four (24) hour period from the start of the shift, a job is scheduled to work overtime, those on the job at the time the overtime is scheduled will be given the opportunity to work the scheduled overtime. This includes Lift Truck Operator Spare if he/she is working on the job at the time the overtime is scheduled.
7. (a) Overtime will be offered to those employees normally performing the work on the job scheduled for overtime using the low overtime hours concept.  
  
(b) Should the Company be unable to obtain sufficient employees among those people normally performing the job, they will give the opportunity to the employees in the area using the low overtime hours concept.  
  
(c) When an area requires additional employees for overtime, the remaining Lift Truck Operators and Lift Truck Operator Spares will be combined and offered the overtime using the low overtime hours concept.

8. For the purpose of overtime equalization as per Article 10.03(4), Lift Truck Operators shall equalize within their areas.

For the purpose of overtime equalization, employees entering Final Assembly on a transfer will assume high hours in Final Assembly. The same concept will apply to any employee transferring into Sub-Assembly.

For the purpose of overtime equalization, employees entering the Press Shop on a transfer will assume high hours of the Press lines. The same concept will apply to any employee transferring into the wash tanks.

9. For applications of seniority in regards to layoff, Lift Truck Operator and Lift Truck Operator Spare classifications will be combined.
10. 16.04 of the Collective Agreement will apply to the spare classification for lift truck drivers.
11. When it becomes necessary on 'A' Shift to reduce an area, the senior employees who own the area will be retained; thereafter, any employees who were assigned to the area will be retained by seniority.
12. For the purpose of charging overtime hours as per Article 10.03(4), the parts washer will be excluded.

#### **20.09 BUMPER OWNERSHIP**

**Current Department 128 will consist of fixtures 51, 52, 53, 54, 55, 56, operations 10 A and B and operations 20 A, B, C and D. The above fixtures will be joint ownership.**

**Department 128 will be combined into and become known as Department 136 with the front and rear bumpers for the GMT 360 program. Within Department 136 the bumpers will be a part of Department 136 Area C – Post E-Coat and Bumper assembly.**



For overtime purposes in Department 136, Areas B and C will be exhausted first.

Further discussions will continue, as more information on manpower becomes available in regards to job ownership etc.

#### **20.10 DEPARTMENT 140 OWNERSHIP**

The Company and the Union agree to add as a supplement to the Six Year Agreement, that the Module and Sub Assembly in Mercedes will be made available for ownership. Both parties recognize that by making this change, it will allow for a stable and productive department.

Sub Assembly ownership will be as follows:

- Fixtures 1, 2, 3, 4, 5, 6, 21, and, 22 because of EWS numbers will have full ownership.
- Fixtures 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 23 will be discussed by the Assembly Manager and Area Committeeperson following negotiations but prior to the July shutdown period to determine dual ownership's.

Each employee will select his or her ownership by seniority. This process will be completed no later than July 1, 2000.

When reassignment is to occur for a period of two hours or less, ownership will not apply.

All terms of the Collective Agreement as it applies to ownership, postings, overtime and assignment, will apply.

All off line repairs, and or jobs will be rotated monthly by seniority and performance. Prior to an employee being removed from the area he/she will be counseled jointly by the Company and the Union.

#### **20.11 S.T. OWNERSHIP**

##### **Area A**

1. The Company agrees to continue the present practice of joint ownership as it relates to S.T. Sub-Assembly.

2. For the purpose of overtime equalization, Department 122 will consist of five (5) areas consisting of:
  - **Dept. 131 S.T. 330 Module**
  - **Dept. 132 S.T.325 Module**
  - **Dept. 133 S.T. Pony Module**
  - **Dept. 134 S.T. Truck Module (including S.T.17 & 18, Electric Truck)**
  - **Dept. 135 S.T. Sub-Assembly**
3. Employees entering the Module(s) on a transfer, will take high overtime hours on the modules.

Employees transferring from one Module to another, will retain their overtime hours (same concept will apply in sub-assembly).

4. 440 Module  
The robot jobs on the 440 Module will be offered by seniority on a four(4) week basis to those employees who own the 440 Module.

#### **Area B and C**

**The Company and the Union agree to the following with respect to ownership and GMT 360.**

#### **Area B**

- **Module 1**
- **Module 2**
- **Sub Assembly (The parties agree to setup job ownership in Sub assembly using the EWS and Dept 140 job ownership as guidelines)**

#### **Area C**

- **Post E-Coat and Bumper Assembly**

**For Overtime Purposes in Department 136, Areas B and C will be exhausted first.**

All terms of the Collective Agreement as it applies to ownership, postings, overtime, and assignment will apply.

When reassignment is to occur for a period of two hours or less ownership will not apply.

All off line repairs, and or jobs will be rotated monthly by seniority and performance. Prior to an employee being removed from the area he/she will be counseled jointly by the Company and the Union.

Due to the fact of the Company's uncertainties pertaining to the 360 program, the Company and Union agree to review any additional employees and or jobs that may arise when future information becomes available.

Both parties recognize that this mill allow for a stable and productive department.

## ARTICLE XXI DURATION

### 21.01

This Agreement shall become effective **April 22, 2000** and shall continue until midnight, **April 20, 2003** (2400 hours) and shall continue from year to year for further periods of one (1) year unless either party shall have given written notice of termination or written notice or proposals for amendments to the other party not less than two (2) months, but not more than three (3) months prior to the expiration date of any yearly period thereafter. In the event of written notice of termination or proposals for amendment having been given by either party as herein provided, negotiations shall be proceeded with during the notice period with a view to completing a new Agreement.

The Pension Agreement became effective **April 22, 2000** and will remain in effect for a period of six years concluding with the expiration of the Collective Agreement in the year **2006**.

The Restructuring Plan (1996 Competitive Assessment Study) will be implemented by the Company through a period of transition beginning April 28th, 1997 and concluding with the expiration of the Collective Agreement in the year 2003.

**21.02** Should such negotiations extend beyond the expiration date, this Agreement shall not expire, but shall continue in full force and effect until the expiration of the time limits referred to in **Section 79(2) of the Labour Relations Act, Ontario R.S.O., 1995, Section 63 Clause 18**, or as hereafter amended, or until a new Agreement is entered into by the parties, whichever day shall occur first.

**21.03** All letters of intent and written Agreements drawn up prior to and during the life of the Collective Agreement, will be considered void at the termination of this Collective Agreement unless they are renewed by mutual agreement.

SIGNED THIS 22nd day of April, 2000 at Kitchener, Ontario.

**FOR THE COMPANY:**                      **FOR THE NATIONAL  
UNION:**

**T. Hussey**                                      **W. McKay**  
**Human Resources Director**              **National Representative**

**G. Wright**                                      **R. Lee**  
**Human Resources Manager**              **President**

**K. Creed**                                        **M. King**  
**Press Shop Manager**                      **Plant Chairperson**

**P. Ostopovich**                                **Committeepersons:**  
**Assembly Manager**                        **J. Wade**

**D. Robinson**                                 **M. Devine**  
**Plant Controller & CFO**                   **R. St. Denis**  
   **G. Doherty**  
   **D. Martz**

**G. Davies**  
**Maintenance & Plant**  
**Engineering Manager**

**T. Collins**  
**Employment/Benefits Manager**

**K. South**  
**Management Trainee - Labour**

**APPENDIX "A"**  
**HOURLY RATE RANGES**

	4/3/00	4/2/01	4/1/02
<b>NON-SKILLED CLASSIFICATIONS</b>			
Labourer/Janitor	23.49	23.84	24.32
Die Storage Attendant	23.48	23.83	24.31
Lift Truck Operator	23.56	23.91	24.39
Storekeeper/Receiver/Attendant	23.66	24.01	24.49
Overhead Crane Operator	23.83	24.19	24.67
Shipper	23.83	24.19	24.67
Oiler	23.83	24.19	24.67
Die Setter	24.52	24.89	25.39
Floor Inspector	24.52	24.89	25.39
Production Day Rate	27.73	28.15	28.71
<b>SKILLED CLASSIFICATIONS</b>			
Carpenter/Painter	29.18	29.72	30.41
Sheet Metal/Welder	29.18	29.72	30.41
Millwright	29.18	29.72	30.41
Pipefitter	29.18	29.72	30.41
Motor Mechanic	29.18	29.72	30.41
Stationary Engineer 2nd	29.18	29.72	30.41
Electrician/Electronics/	29.18	29.72	30.41
Construction & Maintenance	29.18	29.72	30.41
Tool and Die Maker	29.18	29.72	30.41
<b>PRODUCTION CLASSIFICATIONS</b>			
<b>Press Operator</b>	13.12	13.32	13.59
<b>Press Operator Spare</b>	13.12	13.32	13.59
<b>Assembler</b>	13.03	13.23	13.49
<b>Assembler Spare</b>	13.03	13.23	13.49
Blanker Operator	13.03	13.23	13.49
Repair Welder	24.08	24.44	24.93

**APPENDIX "B"**  
**UNION REPRESENTATION**

- One (1) Plant Chairperson (Plant-Wide)
- Five (5) Committeepersons
- One (1) Press Department (including Die Setter, Blanker Operator)
- One (1) Skilled Trades (all including Stationary Engineers, Die Storage Attendant)
- One (1) Assembly Departments 117, 128, 140 and Assembler spare
- One (1) Non-Productive (includes Lift Truck Operator, Crane Operator, Labourer-Janitor, Shipper, Storekeeper-Receiver Attendant, Inspector, Weld Gun Repairman, Oiler)
- One (1) Assembly Departments 122 and 136, and Assembler Spare.

The number of Committeepersons will be determined by Article V.

STEWARDS	"A"	Shift "B"	"C"
Skilled Trades-including Stationary Engineers, Tool Crib Attendant, Die Storage Attendant	1	1	1
Assembly Departments - 117, 128, 140 and Assembler Spare	1	1	1
Departments 122 and 136 Assembler Spare Repair Welder	1	1	1

STEWARDS	"A"	"B"	"C"
Press Shop - Departments 109 & 110			
Press Operator			
Day Rate Press Operator			
Press Operator Spare	1	1	1
Die Setter			
Blanker Operator			
Non-Production-Department 210			
Lift Truck Operator			
Crane Operator	1	1	1
Labourer-Janitor (Depts. 110 & 318)			
Labourer-Janitor-Departments 117, and 122			
Storekeeper-Receiver			
Attendant	1	1	1
Shipper			
Oiler			
Inspector			
All Non-Production			

The number of Stewards on each shift will be determined by Article V.



**APPENDIX "C"**  
**SENIORITY GROUPS**

SENIORITY GROUP I

Labourer-Janitor  
Storekeeper-Receiver **Attendant**  
Oiler

SENIORITY GROUP II

Lift Truck Operator  
Lift Truck Operator Spare  
Overhead Crane Operator  
Shipper

SENIORITY GROUP III

**Assembler**  
**Assembler Spare**  
**Day Rate Assembler**  
Repair Welder

SENIORITY GROUP IV

Floor Inspector  
Floor Inspector Spare

SENIORITY GROUP V

**Press Operator**  
**Press Operator Spare**  
**Day Rate Press Operator**  
Die Storage Attendant  
Die Setter  
Blanker Operator

**APPENDIX "D"**  
**BENEFIT PACKAGE**

	6/1/00	6/1/01	6/1/02
<b>Life Insurance</b>	<b>\$50,500</b>	<b>\$52,500</b>	<b>\$53,500</b>
<b>A.D. &amp; D.</b>	<b>25,250</b>	<b>26,000</b>	<b>26,750</b>

Weekly Benefits - will be as per Section VI, A., of the Benefits Booklet to a maximum of fifty-two weeks (no pyramiding of benefits with Government Plans)

Semi-Private Hospital Plan  
Prescription Drug Plan  
Extended Disability  
Transition Benefit  
Home Nursing Care  
Visual Care  
Dental Care  
Prosthetic Appliance and Durable Medical Equipment  
Hearing Aid  
OHIP  
Pension Plan  
SUB  
Chiropractic Services  
Legal Services Plan

The Company will pay the full cost of the premiums for the above plans, unless specified elsewhere in the Agreement.

The above benefits are more fully detailed in the Benefit Booklet which is part of this Agreement,

## LETTERS

### #1 ARBITRATION

As an alternative to the regular arbitration procedure, the parties shall have the option of mutually agreeing to refer a post third step grievance to a Grievance Commissioner in the following procedure:

- a) The Employer and Union may agree in writing to the appointment of a person or persons as a single arbitrator to be known as a Grievance Commissioner (where more than one, acting in rotation) will set aside such time as may be requested by the Employer and the Union to consider and determine grievances referred to him hereunder for final and binding arbitration. The Grievance Commissioner shall have the same powers and be subject to the same limitations as an arbitrator under Article 6.06.
- b) Through the Grievance Commissioner, the parties desire the expeditious means for the effective disposition of grievances which the parties have agreed may be handled in a summary manner. The rules governing the summary proceedings of the Grievance Commissioner, are set out in the schedule **as follows**.
- c) The decision of the Grievance Commissioner shall only be applicable in the case in question and shall not constitute a precedent nor be used by either party as a precedent in future cases. Notwithstanding anything contained in the Agreement, the decision of the Grievance Commissioner shall:
  - (i) Be consistent with the provision of this Agreement
  - (ii) Be confined to the grievance referred to him.
- d) The Union and the Employer, shall each be responsible for one-half the expenses of any fees payable to the Grievance Commissioner.

- e) The parties, when referring a grievance to a Grievance Commissioner, shall also provide him with the Step III summary (or as amended by agreement of the parties) and the decisions of the management representative at Step II and Step III.
- f) The parties shall supply the Grievance Commissioner and each other with additional concise and brief written representations on which they intend to reply provided that such are mailed not less than ten (10) days before the commencement of the hearings of the Grievance Commissioner.
- g) The parties shall meet at least ten (10) days prior to the hearing date in order to determine what information or facts can be agreed upon prior to the hearing in order that a statement of facts can be written and provided to each party and the Grievance Commissioner before the commencement of the hearing.
- h) The purpose of the hearing is to clarify the issues or facts in dispute. At the hearing the parties may make such further representations or adduce such evidence as the Grievance Commissioner may permit or require, but the Grievance Commissioner shall not be obligated to conform to the rules of evidence.
- i) The Grievance Commissioner must render **his/her** decision in writing without reasons to both parties within seven (7) days of the conclusion of the hearings. Upon request by either party after his/her decision has been rendered, the Grievance Commissioner shall deliver brief reasons but such reasons shall not form part of **his/her** decision.

## **#2 APPLICATION OF ARTICLE VII**

As of the signing of the Collective Agreement in cases where the Company disciplines an employee for theft from the premises or fraudulent claims under the Insurance Plan covered in the

Supplemental Agreement, the date of violation shall be the date alleged violation first became known to the Company.

### **#3 GRIEVANCE PROCEDURE - REINSTATED**

During the negotiations of the current agreement, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the National Union, C.A.W. by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union representative involved, the Canadian Director may inform the Company's Labour Relations Manager in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either is already barred under the provisions of the aforementioned agreement at the time of the reinstatement of the grievance, or that relates to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditional upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the grievance procedure, or in any court or before any Federal, Provincial or Municipal agency.

Notwithstanding the foregoing, a decision of the Arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved, and the Company, and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the aforementioned Agreement except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by an Arbitrator or other grievance resolutions.

It is understood this letter and the parties' obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

It is agreed that none of the provisions will be applicable to any case settled prior to March 25, 1995.

#### **#4 GRIEVANCE PROCEDURE - WITNESS**

During the current contract negotiations, the question of witnesses was discussed related to Articles 6.02, 6.03, 6.04 and 7.05 of this Agreement.

It is the Union's intent that during these steps of the grievance procedure, when it is necessary to call witnesses, one to two employees would be sufficient for a large group. However, this does not mean that more witnesses cannot be called at the request of either party.

**#5 ARTICLE 5.03(b) UNION REPRESENTATION**

It is understood, that when a Steward's area of representation is below 10 employees on **his/her** shift, hours of representation will be restricted to the same as described in Article 10.04 of the Collective Agreement.

**#6 ARTICLE 5.03(e)**

Effective with the 1998 Local 1451 election of Union Stewards, the Union agrees when there are 50 or fewer non-production employees (excluding trades) on a scheduled 'C' shift, only one (1) Non-Production Steward will represent all the non-production employees on that shift.

As these cases arise, the Union will inform the Company which Steward will represent those employees on the shift referred to.

This Steward will be allowed time off during his/her shift as outlined in Article 5.03(b) to attend to his/her representation duties.

**#7 ARTICLE 5.11 --- REPLACEMENT OF SAFETY REPRESENTATIVE DURING PRIME VACATION PERIOD**

During the 1997 Negotiations the parties agreed the Safety Representative could be replaced while absent for vacation of one or more weeks during the prime vacation period provided a press line or assembly module is scheduled to work. The replacement must be a certified member of the Joint Health and Safety Committee established in Article 17.01. If Committee members are schedule to work during such period the senior employee will be appointed. If no committee member is scheduled to work the senior person not working will be appointed.

His/her privilege to leave his/her job is limited to the handling of safety matters relating to or arising from the work during the

Safety Representative's absence, on behalf of employees working during such absences.

**#8 ARTICLE 5.12 --- STEADY DAYS FOR CERTAIN UNION OFFICES**

Article 5.12 provides that employees elected to certain Union offices, will be retained on the day shift. The provisions with respect to rotating shifts and steady days sometimes require the Company to retain an extra person on a job to retain an Union Official on steady days. The parties agreed that the extra person could be assigned to any job in his/her classification provided he will not be assigned outside his/her department so long as there are extra persons working in his/her department.

**#9 HARASSMENT/DISCRIMINATION IN THE WORKPLACE**

**The Company and Union agree harassment/discrimination in the workplace is not to be tolerated.**

**All complaints will be handled using the C.A.W. Harassment/Discrimination Policy as a guideline, which will include the participation of the Human Resources Department in the investigation at the initial stage of any complaint.**

**#10 EMPLOYEE ASSISTANCE PROGRAM**

The Company and the Union share a deep concern about the problems which exist in our society today. Therefore, the Company agrees to continue the Employee Assistance Program presently in effect. In addition, the Committee, consisting of at least two (2) but not more than three (3) representatives of the Company and the Union, will update and modify the program as required by mutual agreement.



This Committee will meet on a regular basis and will promote its functions with a view of encouraging employees to bring possible problem situations to the attention of the Committee as soon as possible.

The Company will ensure that all members of the Committee will be given the opportunity to attend training and education courses related to the Employee Assistance Program, at no cost to the Committee members including lost time during their regular working hours where applicable.

The Committee will set up education programs for both Management and Union representatives concerning various problems in society. Any lost time incurred on courses approved by the Company related to this program, will be paid by the Company.

The Company recognizes that Committee Members must share their own time for this program to be effective. Therefore, any lost time during regular working hours will be paid by the Company with no loss of earnings to the Member(s).

The Committee will keep all matters brought to its attention in strict confidence.

#### **#11 MODIFIED WORK/ACCOMMODATION PROGRAM**

**The Company and the Union agree to make every reasonable effort to provide suitable modified or alternative employment to employees who are temporarily unable to return to their regular duties as a consequence of an occupational or non-occupational injury/illness or disability.**

**It is understood that as a result of the limited number of modified jobs available, the Union and Company agree to set up a Modified Work/Accommodation Committee.**

**The Accommodation Committee will consist of three (3) Union Representatives and three (3) Management Representatives, who will meet on a regular basis to discuss temporary accommodations. A third party representative may be used as required.**

**Cases of Accommodation will be reviewed on an individual basis by the accommodation committee, taking into consideration, 1) the medical restrictions of the employee, 2) the necessity to provide work assignments which are beneficial to the employee's medical rehabilitation.**

**Modified or alternative duties encompass any job, task, or combination of tasks or functions that an employee who suffers from temporary disability may perform safely and within medical restrictions of the employee.**

**The following guidelines will apply when considering an employee for Modified/Accommodations.**

- A. The disabled employee's present job will be considered.**
- B. Positions within the disabled employee's classification will be considered.**
- C. If employees cannot be accommodated within their own classification, the Committee will attempt to accommodate such employee outside his/her classification provided the area supervisor and Union committee person have been informed.**
- D. Should more than one employee require modified work on the same day/shift, seniority will prevail, providing the employees are capable of performing the available jobs. When an employee has been assigned a modified job, employees with greater seniority will not be allowed to displace that employee.**

- E. Temporary Modified Work may be arranged for up to 12 weeks. Upon request from the employee's physician or specialist, extensions may be considered by the Committee.
- F. An employee who returns on Modified Work/Accommodation, may not displace another employee.
- G. During the period of temporary modified employment, employees will not be permitted to work overtime. The Modified Work/Accommodation Program is considered to be a work hardening program to get the employee back to his/her pre-injury position.
- H. The Company agrees to provide three light duty positions as fire watch as a modified position in accordance with the individual's restrictions under this program.
- I. Jobs that are not defined in the appendices of the Collective Agreement, will be paid the rate of Labourer-Janitor.
- J. If accommodations cannot be arranged by the Committee, the employee will remain on weekly indemnity or WSIB benefits.
- K. Where it is known in advance of weekend overtime, the Company will offer the fire watch overtime to the Labour/Janitor Classification as per the Collective Agreement. In cases where prior notice was not given, the Company will use Labour/Janitors that are working in the plant at such time.

## **#12 MODIFIED WORK/ACCOMMODATION PROCEDURES**

### **GOALS**

The Company and the Union agree to make every reasonable effort to provide suitable modified or alternative employment to employees who are temporarily unable to return to their regular duties as a consequence of an occupational or non-occupational injury/illness or disability.

### **OBJECTIVES**

- To assist in the rehabilitation of employees so they can return to their pre-disability job.
- To provide a benefit to the company and employees by having work required to be done, performed by employees who otherwise would be absent from work.
- To provide fair, equal and consistent practices for such employees.

### **DEFINITIONS**

A Modified Work Candidate is an employee recuperating from an occupational or non-occupational injury or illness and unable, on a temporary basis, to perform all the duties of the employee's regular job.

The Modified Work Committee will consist of equal representation from both the Union and the Company.

Modified Work is work assigned to employees while they are temporarily and partially incapacitated where either the physical requirements of the employee's regular work are modified or the employees are assigned to other work within their medical restrictive capabilities.

### **RESPONSIBILITIES**

1. Working collectively, the Committee shall ensure that the Modified Work Program is in accordance with the

Collective Agreement, Supplemental Agreement or statutory requirements as per Human Rights, WSIB, Occupational Health and Safety or any other relevant Employment Legislation.

2. The Modified Work Committee, in conjunction with the line supervisor, will be responsible for providing work assignments and monitoring the employee's progress in employee specific rehabilitation program, including evaluation of work accomplishment.
3. If after a pre-determined period of time within twelve (12) weeks, an employee on modified work has not responded satisfactorily or has not returned to the employee's regular work, the Modified Work Committee will review the case and make recommendations regarding the employee continuing in the program.
4. The injured employee shall communicate any concerns to a Union Representative or Supervisor so those potential problems can be resolved early. It is also the Employee's responsibility to obtain clearance from his/her physician for the return to work and to work in conjunction with the Budd Medical Centre and Modified work/Accommodation Committee.
5. The Budd Canada Medical Centre will work with the Modified Work Committee in promoting the employee's rehabilitation in accordance with the Modified Work Program and in conjunction with the Employee's licensed medical physician.

If a problem arises that cannot be resolved the Modified Work Accommodation Committee, may require the employee to attend an Independent Medical Examination and/or a Functional Abilities Evaluation at the Company's expense. Failure to resolve the issue will result in the Modified Work option being rescinded.

### **#13 JOINT TRAINING/EDUCATION COMMITTEE**

During the previous collective agreement, the Union and the Company successfully formed a Joint Training Committee that was responsible for establishing training programs for the members of the Union and the employees of Budd Canada Inc.

This letter will confirm the intent of both parties to continue this practice during the term of this Agreement.

It is understood that any training or education will be implemented through this committee. The committee will be responsible for recommending training/education programs, budgeting, scheduling curriculum, etc.

The Joint Training/Education Committee will consist of an equal number of people from both the Union and Management. The respective Unit Bargaining Committees will select the union members to be appointed to this committee.

### **#14 ENVIRONMENT/HEALTH & SAFETY COMMITTEE**

The Company and the Union agree that because of the concern for the health and safety and environmental concerns of our employees, the parties agree that the Chairperson of the Environmental Committee or his/her designate, will at the request of the Joint Health and Safety Committee Chairperson and with the approval of the Human Resources Manager, attend meetings of the Joint Health and Safety Committee, where environmental issues are to be discussed.

### **#15 SAFETY INSPECTION OF EQUIPMENT**

The parties discussed the Union's concern regarding the installation of necessary safety measures on new, rebuilt or relocated equipment and fixtures. It is the Company's intent to continue its present practice to encourage members of the Joint Health and

Safety Committee to inspect where practicable, such installations with a view to providing recommendations to management.

#### **#16 ERGONOMICS**

During recent negotiations, the Company and Union recognized the need to address a mutual concern for potential work-related injuries resulting from poor work station arrangements and/or improper work habits. As a result, the parties have established an ergonomic task force to review these mutual concerns.

The Ergonomics Committee will be responsible for establishing, conducting and implementing procedures and resolves that will improve the working environment as it relates to ergonomic issues. The intention will be to improve the working environment and worker health. The Company will ensure that the Committee receives the training, education and resources that will enable them to perform their duties effectively.

The Ergonomics Committee will consist of an equal number of members from both the Union and Management. Both parties will be responsible for appointing their respective representatives on the committee.

#### **#17 COMPANY PAID BENEFITS (W.S.I.B. REHABILITATION JOB)**

The parties agreed during the final stages of negotiations to continue to provide Company-paid benefits (as per agreement re: amounts and duration) to those on disability leave who have been placed by the **WSIB** in a rehabilitation job where that employer does not provide similar benefits.

#### **#18 BEREAVEMENT (ARTICLES 10.21 & 10.22)**

This is to confirm the intent of the Company to continue its practice related to special consideration for bereavement leave and pay as specified below.

When due to circumstances beyond an employee's control **he/she** is unable to attend a funeral as required in Article 10.21 but does provide satisfactory proof of attending a memorial service, he will be excused for one (1.0) normally scheduled work day with pay to attend such service.

When there is no memorial service or the employee cannot attend a service, he will still qualify for one grieving day with pay within one week of the date of death provided satisfactory proof of death is provided to the Company.

#### **#19 PAID EDUCATION LEAVE**

In negotiations resulting in this Agreement, the Company agreed to pay into a separate fund, four cents (\$.04) per hour per employee for all hours worked during the life of this Agreement 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 into a trust fund established by the National Union, C.A.W. and sent by the Company to the P.E.L. Administration Office, Box 897, PORT ELGIN, Ontario, N0H 2C0. 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.



## **#20 SOCIAL JUSTICE FUND**

During the current negotiations, the Union discussed their desire for the Company to contribute to a "Social Justice Fund". The Fund would be used to provide financial assistance to such things as: food banks, emergency relief to assist victims of hurricanes, drought, etc., and sponsorship of international projects in under-developed countries.

The Company is agreeable to contribute one cent (\$.01) for each straight time hour worked on a quarterly basis commencing July 2, 1997 based upon the following conditions:

- 1) The fund would be incorporated as a non-profit corporation and registered as a charity under the Income Tax Act. Proof of such incorporation and registration would be available to Budd Canada Inc. prior to the commencement of contributions, in addition, ongoing proof of such status will be provided upon request.
- 2) The Union obtains a favourable Income Tax Relief from the Department of National Revenue that all Company contributions to the non-profit corporation are tax deductible for the Company.
- 3) All contributions will be made directly to the non-profit corporation.
- 4) The Union will provide Budd Canada Inc. with the annual audited financial statements and summaries for each year's donations made by the non-profit corporation.

## **#21 MISINFORMATION ON EMPLOYMENT AND MEDICAL APPLICATION FORMS**

The following is pursuant to our discussion during the current negotiations.

After signing of the Collective Agreement, present employees whose employment application and medical forms were completed using incorrect information, shall not be subject to discipline for the reason of incorrect information, on such application forms.

Any new employee who has obtained at least six (6) months seniority and whose employment application form was completed using incorrect information, shall not be subject to discipline for the reason of incorrect information on the employment application form.

This in no way limits or restricts the right of the Company to discipline any employee for just cause except as outlined above.

## **#22 CLASSIFICATION CHANGES**

After the signing of this Collective Agreement, the Company agrees that, for new classification and for changes in job structure like and similar to those present classifications, it will sit down with the appropriate Members of the Bargaining Committee of the Union to discuss in detail the proposed changes.

The Company further recognizes the right of the Union to introduce at the Step III Grievance Level, any disagreements they may have as a result of these changes.

## **#23 JOB POSTING - PROBATIONARY EMPLOYEES**

During recent contract negotiations, the Company agreed to discuss with the Union the appropriateness and qualifications of a probationary employee who is desirous of bidding on a plant-wide job posting before hiring a new employee from outside the plant.

**#24 RECALL FOR THREE MONTH ABSENCES**

The Company and the Union agree to recall any employee who is laid off from his/her job ownership rather than using a Spare to cover for extended absences of not less than a three (3) month period.

It is further understood that there will not be any increase in manpower in the affected classification or plant because of this recall and subsequent layoffs, these employees will not be considered to have ownership on the job recalled to.

**#25 QUALITY ASSURANCE AUDITOR JOB VACANCIES**

It is the intent of the Company to fill Quality Assurance Auditor openings from Floor Inspector ranks whenever possible. It is understood that the candidates need to meet the necessary qualifications, either academically or equivalent experience, to be considered.

**#26 HUMIDEX**

To alleviate the uncomfortable working conditions in the plant due to excessive humidity, the following will apply on the first day of June and will remain in effect until the fifteenth (15) day of September of each year.

1. Upon the condition of high humidity and temperature, a Humidex Reading will be secured. The Company shall supply the equipment similar to that used at weather offices for that purpose. The reading will be taken on the plant premises near the guard house at gate #1. Should the parties be unable to obtain a reading at the plant, such reading will be secured at the nearest available airport weather office.

After reaching a reading of 30C., further readings will be secured between (5) and ten (10) minutes after each hour. A

representative of both the Company and the Union will take the reading together and the figure will be posted immediately on the three (3) main plant bulletin boards.

2. The Humidex Reading will not be posted or marked in the Union office window.
3. On any shift, when the Humidex Reading equals or exceeds 93F/34C., all employees will be allowed to leave the plant when the production quota provided for below has been achieved. It is understood that the Humidex must equal or exceed 93F/34C on that shift presently in operation before quotas go into effect. Such quotas will be taken from the start of the shift.
4. It is not mandatory that production employees quit work and leave the plant when the index reaches or exceeds 93F/34C and production quotas are met. If there is work available, those wishing to stay may do so.

The quotas for the humidex period will be 5.85 x base rate for all existing and new products and will be calculated on the basis of all products on any given shift as one group. The quota of a new product during a launch period will be 5 x base until such time as 9 x base has been achieved. The quotas will be posted on the first day of June of each year and thereafter with any necessary changes.

**With respect to Day Rate, a day rate quota will be 3.50 hours at 100% EWS and all downtime will be calculated at 90% of the EWS. (eg. The quota for the current Mercedes final assembly is 112 and all downtime would be calculated using 29 frames per hour.)**

5. If no quota is in effect and the modules are on pre-production all employees will be allowed to leave the plant after six (6) hours on the "A" and "C" shifts and five (5) hours on the "B" shift when the humidex reading equals or exceeds 93F/34C.

6. Once the index reaches or exceeds 93F/34C during the shift, the quota system and the right to leave the plant will remain in effect, even though the humidex reading drops below 93F/34C at any time during the shift in operation.
7. When the humidex reading equals or exceeds 32C, **production** employees will be allowed a five (5) minute break at the conclusion of each hour unless downtime occurs during that hour or that hour contains a normal lunch, rest or washup break.

During an employee's regular shift, if the humidex reading reaches or exceeds 32C., any overtime scheduled for the end of that shift would become voluntary.

8. In situations where major breakdowns hinder the achievement of the production quota, such downtime will be pro-rated into the production quota providing the breakdowns are not man-made. A major breakdown is a single occurrence that exceeds fifteen (15) minutes. A re-occurrence of the same occurrence during an hour will be accumulated provided the total time of such occurrences exceeds fifteen (15) minutes within an hour. To clarify the intent of accumulating time within an hour, the following example is provided:

At 8:15 we have a cylinder breakdown for 7 minutes, and the same cylinder again at 9 o'clock for 10 minutes, and the same cylinder again at 9:20 for 10 minutes. The intent is that we may accumulate  $7+10=17$  minutes or  $10+10=20$  minutes, but not all 3. If we elect the 17 minutes, then the 9:20 ten minutes may be used with another same occurrence from 9:20 to 10:20.

9. Any employees requesting to stay in the plant after the quota is reached, will be placed on jobs if any jobs are available. If no jobs are available, they will be sent home under the terms of this Agreement with no SUB nor reporting pay.

10. When a crew is relocated to a module in another department, they will be excluded from the production quota system if that is their first shift on the new module. After that first shift, they will be subject to the provisions of this Agreement. The module will be entitled to go home with modules on quota if they perform at normal effort.
11. In the event any department is operating without having assistance from the assembly departments as a guide for quotas during high humidex readings, the department effected will work to the principle as outlined in item 5, pre-production.
12. When the humidex reading reaches 38C or more, employees will be allowed to leave the plant after five (5) hours of work or when quota is reached, whichever occurs first.

#### **#27 HOURS OF WORK DURING HUMIDEX MONTHS**

In order to ensure our customers with a reliable supply of products during the period of the Humidex Agreement, the Company and the Union agree to the following:

- 1) The regular hours of work and normal shift rotation(s) will be observed until such time as the inventory level of any final product falls, or is expected to fall below three (3) days and constitutes a supply threat to our customers. If this occurs, the appropriate Management and Bargaining Committee Representatives will meet to review the situation.

The Company will exhaust all avenues in order to maintain an eight (8) day inventory on all final products.

- 2) If necessary, the Company will announce and post a notice of a change in the regular working hours, giving as much notice as possible. All employees scheduled to work a normal "A" - "B" shift rotation, will be rescheduled to work an "A" - "C" rotation effective the Monday following notice. Any employee absent from the plant for any reason, will be contacted and informed of this change.

- 3) The regular hours of work while on the "A" "C" rotation will be as follows:

"A" shift - 7:00 a.m. to 3:00 p.m. with a paid lunch

"B" shift - 3:00 p.m. to 11:00 p.m. with a paid lunch

"C" shift - 11:00 p.m. - 6:00 a.m. with a paid lunch (eight (8) hours pay)

In any case when the Humidex horn sounds prior to the seventh hour of a shift, an employee completing seven (7) hours of his/her regular shift will receive an additional hour pay, for a total of eight (8) regular hours pay.

- 4) Skilled Trades: Every effort will be made to maintain the Shift Agreements in affect at the time this Agreement goes into effect. Least senior employees will be temporarily assigned to vacancies on shifts resulting from this Agreement.
- 5) When inventory levels of all final products increase to five (5) days, reasonable notice will be given and all employees will revert back to their regular hours of work, shift and normal shift rotation effective the Monday following the notice.

#### **#28 SCHEDULING WORK DURING VACATION SHUTDOWN**

The Company agreed to the following as it applies to the scheduling of work during a vacation shutdown period.

- a) Employees will be asked to work by seniority within their department classification. (In non-production where they have area ownership, area ownership will be the same as departmental classification for the above procedure). Probationary employees will be entitled to work under this letter, providing they have been assigned a job as per Article 8.10 of the Collective Agreement.

- b) If an employee's ownership runs during this period, the employee in the plant because of (a) above, will be entitled to work on **his/her** ownership by seniority.
- c) Only those employees scheduled or requested to work will be charged with overtime hours during this period.

#### **#29 OVERTIME - ARTICLE 10.03(2)**

As discussed during recent negotiations, this will clarify the intent of the parties with regard to Article 10.03(2) of the Collective agreement as it relates to offering overtime to employees other than those normally performing the work.

When overtime is to be worked on Sunday and statutory holidays, the low **person** concept including spares will be followed:

"On the shift the overtime occurs" shall mean:

- a) the 7:00 a.m. to 3:00 p.m. and the 7:00 a.m. to 3:30 p.m. shifts will be the same shift for the purpose of overtime scheduling.
- b) the 3:00 p.m. to 11:00 p.m. and the 3:30 p.m. to 12:00 a.m. shifts will be the same shifts for the purpose of overtime scheduling.

#### **#30 OVERTIME DISTRIBUTION - NON-PRODUCTION**

The following reflects our understanding of how overtime is to be distributed for the non-production classifications identified below:

- 1) The applicable job titles are: Lift Truck Operator, Crane Operator, Labourer-Janitor, Shipper, **Storekeeper-Receiver Attendant**, Inspector and Weld Gun Repairman.



- 2) Where applicable, an employee reporting late to work forfeits his/her ownership and the right to any overtime on his/her owned job for the day (i.e. a twenty-four (24) hour period), should additional manpower be required on his/her owned job, he will be returned to such job and be eligible for any overtime being offered on that job thereafter.
- 3) Any employee assigned to a job to replace an absent employee, will own that job and be eligible for any overtime on such job for a twenty-four (24) hour period.
- 4) When an employee is assigned to perform work which results in a job or area supporting manpower over and above that which is considered standard, overtime on such job will first be offered to the employees who own the job, then if there is an additional requirement, it will be offered to the employees assigned to such job.
- 5) An employee classified as a "Spare" will only be eligible for overtime on the job he is working on at the time overtime is being distributed.
- 6) **For safety reasons, when the Company requires an employee to be assigned to perform the work of loading and or topping rail cars, employees in the Shipper Classification will be assigned to these jobs. Should the Company require additional people to perform the work of loading and or topping rail cars, they will offer this work to employees who have previously performed the work of loading and or topping rail cars.**

**This procedure will restrict all loading and topping rail car work, whether regular or overtime hours, to employees with previous experience performing that function.**

### **#31 OVERTIME DISTRIBUTION - TRAINING**

Further to our discussion regarding the availability of overtime for employees attending training sessions, the following will apply:

While attending such training sessions:

- 1) Employees will be eligible for overtime through the normal work week (i.e. Monday to Friday inclusive) on their regular shift provided their Departmental Classification has been exhausted as per Article 10.03(2) of the Collective Agreement.
- 2) Employees will not be charged for any overtime hours they are not asked to work.
- 3) Employees will be eligible for weekend overtime on their regular shift (i.e. Saturday and Sunday, and Friday or Monday of a long weekend).
- 4) Employees must make their intention to work overtime known to the Company. Employees are obliged to contact their supervisor by no later than the day before an overtime assignment to determine if they are scheduled for that overtime.

### **#32 OVERTIME DISTRIBUTION - SKILLED TRADES**

This agreement will clarify the intent of the parties with regard to Article 10.03(2) of the Collective Agreement as it relates to the skilled trades.

This agreement will only apply to skilled trades classifications normally working on ALL starting and finishing times laid out in Article 10.05 of the Collective Agreement.

1. When overtime is to be worked, the low man concept will be followed in all cases.

2. "On the shift the overtime occurs" shall mean:
  - (a) the 7:00 a.m. to 3:00 p.m. and the 7:00 a.m. to 3:30 p.m. shifts will be the same shift for the purpose of overtime scheduling.
  - (b) the 3:00 p.m. to 11:00 p.m. and the 3:00 p.m. to 11:30 a.m. shifts will be the same shift for the purpose of overtime scheduling.
3. When overtime is to be scheduled strictly for the purpose of production coverage on the 7:00 a.m. to 3:30 p.m. or the 3:30 p.m. to 12:00 a.m. shifts, the man with the least amount of overtime hours will be offered the overtime. In such cases, the unpaid lunch will apply.
4. When the overtime to be worked is of any nature other than the production coverage described in section 3, the following will apply.
  - (a) employees will work their normal shifts of 7:00 a.m. to 3:00 p.m. and 7:00 a.m. to 3:30 p.m. on the "A" shift.
  - (b) employees working on the "B" shift will start at 3:00 p.m. and finish at 11:00 p.m. and shall receive a paid lunch.
5. When it is necessary to schedule overtime that involves a combination of the times outlined above, employees will be assigned to their regular shifts. When this cannot be applied, employees will be assigned by seniority.

### **#33 OVERTIME EQUALIZATION (MONDAY)**

During recent negotiations, the Company and Union discussed the provisions of Article 10.03 (5) (i.e. absent from the plant) as it applies to offering Monday overtime to employees.

When the Company finds it necessary to offer Monday overtime during a weekend shift immediately preceding that Monday, the following will apply:

- 1) As Monday starts a new week, overtime hours must be calculated to determine eligibility for Monday.
- 2) Using the low **person** concept, employees will be contacted and will be offered overtime as follows:
  - (i) In early overtime, will be offered to the employees scheduled to work the regular shift immediately following the overtime assignment.
  - (ii) Should Monday be an overtime shift, employees scheduled to work that shift, considering normal shift rotations, will be eligible for such overtime.

#### **#34 OVERTIME - UNION TIME STUDY**

The Company agrees to the following when a Union Time Study Man is required on an overtime shift and none is available.

Upon request of the Union Representative for the area requiring the service, the Supervisor will call in any one of the active Union time Study Representatives. It is understood that call-in pay provisions will not prevail and only the time spent in the plant directly related to the immediate problem will be paid for by the company.

### #35 RR-ASSIGNMENT ON OVERTIME

When it becomes necessary to reassign employees on overtime due to machine breakdown, shortage of parts or absenteeism, the Company agrees that these employees will only be assigned in their departmental classification for four (4) hours of their shift **unless mutually agreed to**. Thereafter, the employees will only remain in the plant on their scheduled jobs except in the case of an emergency.

### #36 WEEKEND RULES FOR SELECTIVE OVERTIME

- a) Only employees eligible for Saturday overtime will be charged for Sunday overtime when Sunday overtime is scheduled on Saturday.
- b) Employees accepting overtime for both Saturday and Sunday who do not report for work on Saturday, will be assumed absent for Sunday and will be charged for both days.

### #37 WEEKEND OVERTIME

**During the year 2000 negotiations, the following agreement was reached regarding overtime hours on weekends:**

- a) **Selective Overtime – Any employee reporting late for work during the first four (4) hours will be assigned work and marked late for the purposes of time and attendance. Any employee reporting for work more than four (4) hours late, will not be allowed to work and will be regarded as absent for time and attendance. If this occurs on Saturday, the employee will not be allowed to work Sunday.**

- b) **Scheduled Full Overtime - The above language will apply with the exception that the employee will be allowed to work Sunday.**

### **#38 OVERTIME FOR UNION LEAVE OF ABSENCE OR COMPANY BUSINESS**

Further to our discussion regarding the availability of overtime, while employees are on Company business, Union Leave or P.E.L.:

- 1) Employees are not eligible for and can make no claim against the Company for overtime to be worked through the normal work week (i.e. Monday to Friday inclusive).
- 2) Employees will be eligible for weekend overtime on their regular shift (i.e. Saturday and Sunday, and Friday or Monday of a long weekend).
- 3) The employee must make **his/her** intention known to the Company prior to the leave. The employee is obliged to contact **his/her** Supervisor no later than the day before the overtime assignment to determine if **he/she** is scheduled for that overtime.

### **#39 CANCELLATION OF OVERTIME**

**Employees entering a department to perform an overtime assignment, shall take the highest overtime hours in the departmental classification, or in the case of Assembly Departments, they shall take the highest overtime hours in Sub or Final, which ever they are assigned to.**

- 1) **When the Company applies Article 10.03(2) and is required to “go to another department” for additional manpower, then finds it necessary to cancel a portion of an overtime assignment prior to the start of that overtime**

assignment, employees will be advised of the cancellation in the reverse order they were asked (i.e. the last department to be offered would be the first to be cancelled).

2) When it becomes necessary during an overtime assignment to cancel future scheduled overtime assignments, those employees not owning the department scheduled to work, will be offered available work by seniority.

(i.e. If previously asked for Saturday, Sunday and Monday, and on Sunday the Company requires less employees to work Monday, item #2 will apply).

#### **#40 PERIODS OF EXCESSIVE OVERTIME**

The Company recognizes it creates a problem when excessive overtime is being worked when seniority employees are on layoff. It is not the intent or desire of the Company to work extended and constant periods of overtime when there are Seniority Employees laid off. The Company agrees to meet with the Union to review and explore alternatives such as weekend worker programs and where practicable, the recalling of laid off seniority employees who are capable of performing the work.

#### **#41 WAIVE LOW PERSON CONCEPT IN EMERGENCY SITUATIONS**

The Company and the Union recognize that in cases of extreme emergency, where the customer requirements are in jeopardy and the Company can show proof of such situations and after full consultation with the Committeeperson **or his/her designate**, the Company and the Union may mutually agree to waive the **Low Person Concept** for the specific case only.

The Company recognizes that this Article is for extreme emergencies only and will not be for any other situations.

**#42 OVERTIME DISTRIBUTION ARTICLE 20:08 AREA FIVE AND EIGHT, AND ARTICLE 20.04 AREA FOUR**

When overtime is required in the above areas each area will combine the two (2) shift three (3) shift employees for the purpose of requesting overtime using the low person concept in each area. Note: the areas are not combined only the shifts in each area. After exhausting the above procedure and the Company still requires additional people Article 20.08 7c will apply. This language will also apply to Article 20.04 of the Collective Agreement, which includes area four (4) in Quality Control.

**#43 CLARIFICATION OF 10.03 (4)**

**Graduated apprentices or recalled employees to Skilled Trades, and anyone rehired within a year, will be given the average hours in their trade.**

**#44 P.H.R. -ARTICLE 14.10(a)**

During recent **negotiations**, the subject of mid-year new model introductions and model changes was raised. The Company agreed the P.H.R. would be substituted for pre-production rate in clause 14.10(a) when such situations occur outside the normal model year changeover period. It is clearly understood that major programs are excluded from this exception.

**#45 P.H.R. - NOT REDUCING**

The Company agrees to continue the past practice with respect to the leadhands rate of pay.



#### **#46 P.H.R. - RUNTIME AND DOWNTIME**

During recent negotiations, the Company agreed that whenever P.H.R. is paid on an incentive job, it will be paid for both Runtime and Downtime.

#### **#47 MACHINE CONTROLLED JOB DOWNTIME**

During recent negotiations, the Union raised its concern that incentive standards were being applied to new machine controlled jobs before they were capable of maintaining consistent runs due to automated equipment downtime.

As a result of lengthy discussions on this matter, the Company agreed future incentive standards would not be applied on machine controlled jobs until such time as experience gives reason to believe the downtime caused by automated equipment is controlled to the extent there is no more than two (2) hours of such downtime during a regular shift.

The parties agreed it is in their interest to focus their joint efforts on reducing automated equipment downtime on such jobs to the extent an incentive standard can be applied. In circumstances of extreme, extended and constant periods of automated equipment downtime on machine controlled jobs, the parties have agreed to explore the application of plans such as a progressively declining special compensation element to promote efforts to eliminate the abnormal downtime condition.

#### **#48 POLICY CLARIFICATION ON PRE-PRODUCTION**

D) paypoint or incentive group is on pre-production when it is fully manned. When one or two men are assigned to work to try out equipment, payment will be at P.H.R. The 60 days to set a rate will commence from the first day on pre-production. "Fully manned" can exist when one of two men is used at a station when two are not required until incentive pace is achieved.

- 2) Offline green frame repair language is the same for pre-production groups as for incentive groups. Seniority and P.H.R. privileges apply.
- 3) Pickup and repair activities are paid:
  - (a) The same as the line pre-production - if we are dealing with the same crew's production.
  - (b) P.H.R., if we introduce "backlog" repair to the pickup and repair men. Backlog meaning substantial pieces, not small quantities from prior shifts which are normal carry-overs.

#### **#49 LOCK-OUT SYSTEM**

The Company agrees that there will not be a lock-out system introduced on any existing incentive jobs.

#### **#50 OFF STANDARD CONDITIONS**

At recent negotiations, the administration of "off standard allowances" was discussed with reference to establishing "prior earnings opportunity." The Company agrees to the following practice for the life of this Collective Agreement.

- 1) Any off standard condition that has an earnings opportunity of or more, will have no adjustment.
- 2) If the earnings opportunity falls below 185%, then an allowance will be applied to the rate that will provide an earnings opportunity equal to the following:
  - a) In assembly - the average of the highest crew on that job and paypoint taken from the last published weekly performance report.

- b) In the Press Shop - the highest of the last three runs of that job.

#### **#51 RE-ASSIGNMENT OF INCENTIVE WORKERS**

**When it becomes necessary to re-assign incentive employees anytime during a shift, the Company will re-assign employees by seniority within the department first to jobs that pay prevailing hourly rate (PHR), thereafter to production jobs etc. (This will not supercede Article 20.01 or 20.05)**

**When it becomes necessary to reassign outside the department the same procedure will be used.**

#### **#52 ASSIGNMENT**

**During** recent negotiations, the parties agree that there may be circumstances under Article 8.09 where extensions may be beneficial to both parties.

Therefore, the Union agrees to discuss such situations with the intent of granting such extensions under Article 8.09 of the Collective Agreement.

#### **#53 ASSIGNMENTS TO OTHER WORK AREAS**

The Company agreed during recent negotiations to sit with the appropriate Union Representative to discuss alleged abuses of these assignments with the intent of reviewing the requirement and feasibility of recalling to such areas where the Union can show such abuses.

#### **#54 MISCELLANEOUS JOB ASSIGNMENT**

During recent negotiations, the Company and Union discussed the assignment of miscellaneous type jobs to Bargaining Unit classifications.

Before any future miscellaneous jobs are assigned to be performed, the Company will meet with the Local Bargaining Committee members to review the requirements of such job and assist in determining the classification to perform the work.

#### **#55 CODE 19**

During recent negotiations the subject of using C-19 as a possible means of covering up downtime, was raised by the Union. The Company agrees that the intent of C-19 is for employees awaiting to be assigned to a job. C-19 will not be used for normal downtime situations.

The Company recognizes that Code 19 is a problem that due to inefficiencies and breakdowns have caused hardships in the past.

**For all Code 19 assignments in the Press Shop only, the Company will pay all time on Code 19 at 160%.**

#### **#56 ASSIGNMENT TO DIE SETTING**

During recent negotiations, the Company and Union agreed to the following as it applies to the Die Setter classification:

- 1) This Agreement does not restrict the Company's right to re-assign employees into the Die Setter classification during the first four hours of a shift.
- 2) Notwithstanding the above, when replacing Die Setters known to be absent in advance of their shift, the Company will not use employees from another classification before ask-

ing the Die Setters on the previous shift to work four (4) hours over. If at this time the Company is unable to get enough regular Die Setters to stay over, they may use people from the Press Shop (Press **Operator**, **Press Operator Spare**, Blanker Operators) to cover for the first four (4) hours.

Thereafter, the Company will call in the Die Setters from the following shift four (4) hours early to cover the rest of the shift.

- 3) All Die Setters are to have a lift truck license with automatic renewal privileges.
- 4) The Company and Union will re-evaluate the Die Setting written test and add a practical test.

#### **#57 LINE OWNERSHIP - PRESS SHOP**

During the negotiations, certain problems were discussed with respect to supposed management abuses - regarding the provisions of Article 20.01, i.e. Line Ownership - Press Shop.

This letter is to clarify the Company's intent that the Company does not condone abuses of this Article and where claims of such are made and can be substantiated, they should be brought to the immediate attention of the department General Supervisor by the Committeeperson and those employees affected will be given any applicable redress.

#### **#58 PRESS SHOP START-UP**

The form lines and portables in the Press Shop will be paid a twenty (20%) allowance for the first two clock hours (includes run time and down time) after a new job start up immediately following a die set. This provision does not apply to the blanking area. This allowance is in lieu of the allowance specified in 14.31 (a).

#### **#59 PRESS SHOP - AUTOMATED AND TIMER JOBS**

The form lines and portables in the Press Shop shall have an earnings opportunity of 220% gross on automated and timer jobs. This level of earnings opportunity is contingent upon operators working from bell to bell and cessation of end of shift downtime abuses. Should unwarranted downtime occur at the end of shift the supervisor will turn off the downtime indicator. This provision does not apply to the blanking area.

#### **#60 PRESS SHOP FIRST OFF ACTIVITY**

During the 1997 negotiations, the parties discussed the first offs in the Press Shop. This historically has been the responsibility of the Tool and Die classification, however, in an effort to make the facility more productive and efficient, the Die Setters and Press Operators will be able to run the First Off providing the tools have not been modified (e.g. repaired, rebuild, or tryout). This agreement does not preclude the Tool and Die Makers from running a First Off if required.

All work in the dies will be the responsibility of the Tool and Die Makers.

#### **#61 OUTSOURCING OF PARTS**

**During the 2000 negotiations, the Union brought up their concerns of past, present and any future parts, in which Budd Canada Inc. has or may outsource.**

**The Company and Union agree that before there are any lay-offs or a reduction in the current press time allocation, the Company will sit with the in-plant Bargaining Committee to discuss bringing the outsourced parts into the plant where economically practicable.**

**#62 TEMPORARY LAYOFF IN PRESS SHOP**

**During the course of our recent negotiations the Company agreed to continue the practice of seniority when temporary layoff conditions occur,**

**For example, if during a shift Press Lines go down and employees are to be sent home due to lack of work, those employees with the least amount of seniority would be sent home. The senior employees would be retained to perform the available work.**

**This understanding was made on the basis that any errors made in applying the above, would not become the basis for a grievance or any Arm Chair payment.**

**#63 TEMPORARY LAYOFF USING OVERTIME HOURS**

During the course of our recent negotiations, the Company agreed to continue the practice of using overtime hours in temporary lay-off situations. For example, if during a shift a module goes down and some employees are going to be sent home due to lack of work, those employees with the most overtime would be sent home and the low hour employees would be retained to perform the available work.

This understanding was made on the basis that any errors made in applying the above, would not become the basis for a grievance or any armchair payment.

**#64 ASSEMBLY 440 MODULE - MECHANICAL AND/OR ELECTRICAL DOWNTIME**

When there is excessive, non-routine, mechanical and/or electrical downtime that is beyond the control of the operators the following three operations in the 440 module will be paid downtime at the rate of 160% of the hourly base rate:

1. Op. 50-90 transfer walking beam
2. Op. 105-125 transfer - overhead
3. Op. 140 to Tip-up and escape walking beam

Op. 140 to Tip-up and escape walking beam, such payment will only occur when the 325 Tip-up is locked up due to downtime and the 440 module is backed up during the same lockout period of time. This payment scheme will not apply to the 440 Tip-up and the 440 pierce units.

#### **#65 440 MODULE - CHANGEOVER**

An allowance for changeover will be paid for all models in the 440 module. The allowance will be calculated as follows:

The allowance will normally be paid only for the first hour of the changeover shift. At the discretion of the shift supervisor and his/her general supervisor additional time may be paid when conditions occur that cause the changeover to spill-over into the second hour however, the parties understand this is an exceptional circumstance.

- I. The frames produced by the crew in the first hour following the start of production after the changeover will be added to the frame production of the crew in the last 7.0 hours of the shift for the purpose of calculating a per hour rate to be applied to the first hour.
- II. The earnings per hour from the last seven hours, after inclusion of the count from the first hour, will be paid for the first hour.



**#66 SERVICE AND AFTER MARKET PARTS  
(ASSEMBLY)**

During the recent negotiations the Union raised a concern about after market service for past products. Therefore the Company agrees to meet and discuss the feasibility and rules for recalling the appropriate employees to perform such work. Any decisions will be by mutual consent of both parties. The parties also agree that the payment for working on all service and after market parts will be paid at prevailing hourly rate until such time that a rate can be established.

**#67 CLARIFICATION OF PRODUCT REPAIRS  
IN SHIPPING**

The Company and the Union agree that when employees are assigned to the shipping area to perform repair work, they will be assigned from the department that produced the product (E.g. S/T would be S/T employees, T/J would be T/J employees, etc.)

In order to maintain a base of experience one employee will remain in the repair area fulltime. The other employees will rotate on the following basis: one (1) employee per month will be rotated provided there are three (3) or more employees in the product area. If there are two (2) employees or less one (1) employee will be rotated every two (2) months.

In the interest of quality and customer satisfaction overtime will be distributed to the low man/woman in the department on the following basis:

- On weekends and statutory holidays for every employee from shipping (base employee), one module employee will be asked.
- "In week" for every two(2) employees from shipping (base employees), one module employee will be asked.

#### **#68 TOOL REPLACEMENT - SKILLED TRADES**

This is to express the intent of the Company to continue its practice of replacing tools of skilled trades employees as a result of their tool boxes having been broken into and/or stolen.

Replacements will only be made where employees have complied with the provisions of clause 15.17 of the Collective Agreement and when an employee has presented evidence satisfactory to the Company that a theft occurred.

#### **#69 NEW WORK AND INSTALLATIONS**

During the 1997 negotiations the parties discussed the utilization of the skilled trades in the Kitchener Plant and the use of outside contractors. The Company also reviewed circumstances in which excessive overtime and work inefficiencies resulted from disputed interpretations of Article 15.24. The Union reviewed their concerns for an effective and full utilization of the skills of the plant's tradesmen.

During the discussion the parties agreed to the following with respect to the application of Article 15.24 in the future.

When new installations/work are scheduled for the Kitchener Plant:

- a) An Outside Contracting Committee consisting of four principle trades (Tool and Die Maker, Electrician, Fabrication Welder and Millwright) and the Committeeperson appointed by the Local Union and members of Management will meet in advance of the new installation/work to review the scope of the work and discuss whether there exists an opportunity to
  - 1) Perform the work with Budd tradesmen as per Article 10.01 of the Collective Agreement; or

- 2) Assign a portion of the work to Budd tradesmen; or
  - 3) Perform the work with outside contractors
- b) When outside contractors are used on new installations/work, the Company will assign one (1) tradesman from the affected principle trade(s) to work with the contractor. The tradesman will serve as a trade contact and source of assistance for the contractor to become familiar with the new equipment and assist in training, if required.
  - c) When this procedure is followed, the concept of “all available hours” as per the Collective Agreement will not apply.

#### **#70 APPRENTICESHIP PROGRAM**

During current negotiations, there was much discussion about the status of the Apprenticeship Program. The Union requested the Company commit to add apprentices. The Company advised the Union it could not commit to add apprentices because the forecasted changes in customer volumes and products make it impossible to define long term skilled trades needs at this time.

It is recognized by the Company and the Union, that it is in the best interest of both parties to add apprentices only to meet expected manpower requirements and when the forecasted workload and growth of the organization provide an opportunity to adequately train skilled journeymen.

The Apprenticeship Committee will meet with the Manufacturing Manager not more frequently than each three months to review the status of skilled trades employment, and when it is appropriate and practicable, apprentices will be added to the rolls.

## **#71 SKILLED TRADES INVOLVEMENT PROGRAMS AND PROCESSES**

The Company and the Union agree that as new technology, new programs and new products come into the plant, that a more aggressive approach must be taken by the Skilled Trades, Management and Union representatives.

When practical, prior to new technology being introduced into the facility, the Company will see that the appropriate skilled trades receive training. The training will consist of any training required to run, maintain, repair or PM equipment. It is understood that all necessary training will go through the joint training and Education Committee.

The Company agrees that when equipment or tooling are to be built outside the Kitchener Plant, the Company will involve the appropriate skilled trades at the build source.

After the installation of any new equipment or process the Company will have follow up program meetings to have the Skilled Trades review, assess and make recommendations.

## **#72 PROTOTYPE**

The Company recognizes that the prototype area can tend to be very cyclical throughout the course of the year and that more Tool and Die Makers are required to become familiar with the prototype area to meet customer requirements and attain knowledge of current and future product.

The Company will make every effort to rotate Tool and Die Makers through prototype on a regular basis when shift agreements are renewed. The current steady 'A' shift Tool and Die Makers in Prototype will be maintained as long as there is enough work on that shift to support them.

The Company may with mutual agreement from the Union schedule the prototype Tool and Die Maker for overtime out of the low man concept. For every man scheduled to work in Prototype out of low man concept, the Company will schedule two men from the overtime equalization list, assigning the employees to prototype work only.

### **#73 REASSIGNMENT SKILLED TRADES**

During the 1997 negotiations, both the Company and the Union expressed concerns regarding situations which develop from time to time, where there is work to be done in a certain trade, and that trade has been exhausted for overtime purposes.

It is agreed between the parties, that in such situations, the Skilled Trades Committeeperson or his/her designate, will meet with the Company and may mutually agree to assign another trade which has the necessary skills to assist and supplement the primary trade to do the work in lieu of using Outside Contractors. In such cases, the secondary trade will only be asked to work the overtime after the primary trade has been exhausted.

### **#74 TOOLROOM EQUIPMENT**

**In order to operate an efficient world class operation, the Company agrees to maintain and upgrade when practicable, toolroom equipment as required to support the effectiveness of operations in the Kitchener facility. The Company recognizes that this is required to remain a world class operation yielding a high level of productivity and quality in a competitive market.**

#### **#75 TECHNOLOGICAL CHANGE**

When the Company is considering the introduction of technological change affecting Members of the Bargaining Unit, the Union shall be notified and kept up-to-date as new developments arise and modifications are made.

The Company will continue to involve the members of the Bargaining Committee and selected involved members of the Bargaining Unit in new product launch meetings, meetings about the introduction of new equipment and processes or contemplated changes in the technology used to produce existing product.

At the request of the Union, the Company will meet, not more often than each six months, to discuss the Company's plans and efforts with respect to technological change. At such meeting the Company will, from time to time, invite members of the Budd Company research and development community and representatives from its engineering functions as appropriate to share information on their present projects or future technological developments. It is contemplated that attendees at the meeting will discuss subjects such as new technology, research, improvements in current processes, changes under current consideration, new projects and updates on current projects. At such meetings it would be appropriate to discuss potential impact on the members of the Bargaining Unit arising from such technological change,

The Company agrees to provide for continuing consultation and co-operation with the Union in respect to relocation and/or retraining of employees who are displaced as a result of the introduction of new technology or modification of existing equipment.

#### **#76 DEPARTMENT 318 LABOURER/JANITOR**

With respect to the classification of Labourer/Janitor **in Department 318**, the following will apply prior to effecting the posting provisions as outlined in clause 8.10 of the Collective Agreement.

1. When a vacancy occurs, such will be posted on the bulletin board for a period of twenty-four (24) hours and the most senior employee of the classification will be allowed to fill the vacancy.
2. The vacancy created by (1) above, will also be posted in the same manner as described herein.
3. After the application of (1) and (2) above, the normal posting procedure will be followed.
4. Any employee who applies and is accepted as outlined in (1) and (2) above, will:
  - (a) be limited to two (2) moves per year and
  - (b) not be allowed to return to his/her former job as is normally permitted under clause 8.10(n) of the Collective Agreement.
5. The foregoing does not preclude or restrict the right of the Company to assign employees to other areas as required under the terms of the Agreement.

#### **#77 TEMPORARY LIFT TRUCK OPERATOR**

This letter will apply when there are no employees laid off from the lift truck classification.

1. Due to the inability to obtain sufficient lift truck operators, under certain circumstances it is necessary to have a reserve of temporary lift truck drivers.
2. Candidates will be required to pass the prescribed test for lift trucks.
3. Successful candidates will be issued licences. A list of those licensed will be given to the Committeeperson upon request.

4. It is understood that for overtime, the present procedure asking the regular fork lift drivers in the classification, must come first. Additional requirements may then be filled by temporary fork lift drivers,
5. It is understood and agreed that any employee who applies for the above, and successfully passes the lift truck test, will not have to be re-tested for this classification in the event he applies for the position through job posting at a later date.
6. The Company will not use temporary drivers before asking the drivers on the previous shift to work four (4) hours over. If at this time the Company is unable to get enough regular drivers to stay over, they may use temporary drivers to cover for the first four (4) hours.

Thereafter, the Company will call in the drivers from the following shift four (4) hours early to cover the rest of the shift. If they are unable to get a sufficient number of regular drivers to come in early, they may use temporary drivers. This applies to the regular work week.

7. The Company will not use the leadhand to work on a job, before asking the regular drivers to stay over four (4) hours. If no one stays over, the leadhand may drive for four (4) hours. Thereafter, the Company will call in a regular driver four (4) hours early to cover his/her job. If no one comes in, then the leadhand may drive the remaining four (4) hours of the shift. This includes weekend overtime.

#### **#78 LIFT TRUCK TRAINING PROCEDURE**

**The Company and Union agree to the following:**

- 1) Employees who successfully pass both the written and practical Lift Truck Driver Test, will be given a license to drive only when they have accepted the Lift Truck Posting they were awarded.**



- 2) Employees who have previously been given a license under the terms of the Agreement referred to, who declined the job posting they were awarded, will have their licenses revoked effective immediately.
- 3) All future job postings falling under this Agreement, will include a notice to employees that licenses will only be issued to those successful applicants who accept the job posting.

**#79 CLARIFICATION OF AREA FIVE AS IT PERTAINS  
TO CENTRAL STORES**

The Company and the Union agree to the following as it pertains to department 210 area 5:

**Responsibilities**

- All incoming purchase order parts will belong to area five (5), including the unloading of trucks, entering this information into the computer, and reloading of empty racks or containers into the outgoing trucks. This will also include servicing of the tubes into the start of the de-stacking process of Hydroforming. (This will not affect the current responsibilities of the StoreKeeper/Receiver Attendant Classification.)
- Will be responsible for the loading of all outgoing bumpers and receiving of the 360 bumpers back into the plant.
- To continue any and all existing work that they normally do at the present time.
- The Company will provide any necessary training to the employees in area five (5).

Due to the fact of the Company's uncertainties pertaining to the 360 program, the Company and the Union agree to review

**any additional employees and or jobs that may arise when future information becomes available.**

#### **#80 MEASURED DAY WORK SYSTEM**

As part of the Measured Day Work System, the parties agree the Company will establish production standards on all Day Work jobs using the current Engineering Work Standards (EWS) format which utilizes Predetermined Time Standards.

The rules governing the establishment of these standards shall be outlined separately from Article 14.

The Company and the Union will identify qualified representatives from each side to examine and recommend which provisions of Article 14 would apply, including any modification thereof and/or new provisions the committee deems necessary.

#### **#81 PROBLEM SOLVING GROUPS**

The Company and the Union have agreed to continue to work together to ensure continuing improvement using problem solving groups. The Union, however, has a number of concerns regarding this process. As a result of these, the parties agree this process will have no impact on any matters pertaining to the Collective Agreement.

The parties have also agreed to the following:

- The Company will provide four (4) hours of C.A.W. training to everyone in the plant
- The Union will appoint one (1) Coordinator to oversee and monitor the process on its behalf and provide for the training of its members. **Should an additional Problem Solving Group Coordinator be required, the union will have the right to decide who is appointed to this position.**

- Members of the Bargaining Committee will be entitled to attend any and all meetings pertaining to the Problem Solving Process.
- In the event there is any job loss or vacancy left unfilled within a classification as a result of the Problem Solving Process, efficiency improvements, or any Company initiated programs or processes, these losses will be addressed through the Restructuring Payment Plan.

#### **#82 TAG RELIEF**

During the 1997 negotiations, the Company and the Union agreed that the practice of tag relief cannot continue in the environment being contemplated by our discussions affecting the future of the Budd Canada, Kitchener facility.

Effective with the introduction of the "Day Rate" system to any new or existing production area, the tag relief practice will be discontinued. This will not, however, prevent an employee from receiving washroom relief upon request.

#### **#83 OPERATOR ASSISTED CHANGEOVERS IN THE PRESS SHOP AND ASSEMBLY**

During the 1997 negotiations, the Company raised a concern about the inefficiencies incurred when changing over the Press Lines, Press Line Automation, Blankers, Assembly Modules and Sub Fixtures.

Therefore, the parties agree when a changeover is to take place, the operators will assist and follow the direction of the Die Setters and Skilled Tradesmen.

Any necessary isolation and reconnection of energy sources, with the exception of quick disconnects, will be performed by the appropriate tradesmen.

**#84 TEMPORARY GROUP LEADERS**

The Company agrees that when employees are assigned to perform Group Leader work they will be paid at the applicable Group Leader rate as defined in the 6-year agreement for a period of time of not more than 90 working days.

**#85 360 IMPLEMENTATION LETTER**

Do to the constant changes and uncertainties regarding the GMT 360 business, the Company's intent is that no production Day Rate Workers will be required to operate the Hydroforming process. However, it would be the Company's intent to use employees from the proper classifications e.g. Press Operator, Assembler, Quality Control, Janitor or Lift Truck Driver etc. as agreed to with the Union, should the need arise.

The physical assembly process within the module, sub-assembly, bumpers, pin setting and post E-coat assembly will function under the present Day Rate practices, including the restructuring options in the 6 year agreement.

**#86 GMT 360 PRESS SHOP IMPLEMENTATION**

The Company agrees that with the introduction of the GMT 360 model, when a Press Line is running more than 75% Day Rate Jobs, the Company will meet with the Bargaining Committee and discuss the feasibility of converting the entire line to Day Rate.

#### **#87 CLARIFICATION OF DAY RATE PRACTICES**

**In any case where a production worker who owns a day rate production area is assigned to perform work on a job other than in another day rate production area job as per Article 8.09 of the Collective Agreement, the worker will be paid day rate or the rate of the job assigned whichever is the greater of the two (2).**

**Production workers who own a day rate area will maintain a Prevailing Hourly Rate of day rate.**

**When Day Rate employees accept overtime assignment, they will be paid the rate of the job they are assigned to.**



# **PENSION AGREEMENT**

between

**BUDD CANADA INC.**

and

**NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL  
WORKERS UNION OF CANADA (CAW)  
AND ITS LOCAL 1451**

**DATED APRIL 22, 2000**





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THE AGREEMENT made as of the **11th** day of March, **2000**

between

BUDD CANADA INC  
(hereinafter called the "Company")

OF THE FIRST PART

and

THE NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL WORKERS  
UNION  
OF CANADA (CAW)  
AND ITS LOCAL 1451  
(hereinafter called the "Union")

OF THE SECOND PART

WHEREAS the Company has agreed with the Union to provide pension benefits to certain individuals in accordance with the terms and conditions of the pension plan which became effective April 1, 1972.

AND WHEREAS the Company has agreed with the Union to make certain changes to the pension plan;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

1. The Company will institute effective April **22, 2000** the amended pension plan attached hereto as Exhibit "A" to this Agreement (hereinafter referred to as the "Pension

Plan”).

2. The Pension Plan shall become effective on April **22, 2000** and remain in force and effect until midnight April **28, 2006** and shall continue in effect thereafter from year to year for further periods of one year unless either party shall have given written notice of termination or of proposals for amendments to the other part not less than two (2) months, but not more than three (3) months prior to the expiration of the Collective Agreement in effect in the year **2006**.

IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives on the date first appearing above.

BUDD CANADA INC.

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THE NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW) AND ITS LOCAL 1451

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HOURLY-RATED EMPLOYEES PENSION PLAN  
PREFACE

1. Pension Plan

All members of the hourly bargaining unit become members of the pension plan. The following paragraphs describe the significant features of the plan, though it must be recognized that the Plan is governed by the plan document which legally and technically sets out its specific details.

The Plan is also subject to the rules and regulations of the The Financial Services Commission of Ontario and Canada Customs and Revenue Agency, Taxation and in any situation where the minimum legislative requirements provide greater benefits than those outlined in this preface, the legislative requirements will prevail as outlined in the plan document. Specifically, with effect from January **1, 1988** the following changes were made as required under the Pension Benefits Act, **1987(Ontario)**:

- (a) Employees, including Vested Employees, are eligible to retire after attainment of age 55 and completion of 2 years of membership;
- (b) An employee's Basic Retirement Pension is vested after 2 years of an membership;
- (c) The pre-retirement death benefit must be at least equal to the commuted value of the pension accrued for service on and after January 1, 1987.

## 2. Retirement Age

An employee must have 10 years continuous service with the Company before he may retire, unless he attains age 65, in which event he must retire.

Normal retirement age is 65, but an employee may retire prior to age 65 under the following circumstances:

- 1) An Employee age 60 but not 65 with 10 years service, or;
- 2) An Employee age 55 but not age 60 with age plus years of service totalling 85 or more, or;
- 3) An Employee with 30 or more years of credited or continuous service,
- 4) An Employee between age 55 and 65 with 10 or more years service may retire under mutually satisfactory conditions in accordance with the provisions of Appendix 'E'.

If an employee becomes permanently and total disabled he may retire at any age with Disability Pension commencing only after payments of all Extended Disability Benefits have ceased.

Application for pension must be made at least 90 days prior to retirement date, forms for this purpose being obtainable from the Personnel Department.

## 3. Basic Retirement Pension

The basic Retirement Benefit for an employee who retired prior to April 1, 1988, is the following amount per month for each year of credited service.

BASIC RETIREMENT PENSIONS

Date of Benefit 4/1/94 4/1/95 4/1/96 4/1/97 4/1/98 4/1/99 4/1/2000  
 Retire- Class to to to to to to and  
 Ment 3/31/95 3/31/96 3/31/97 3/31/98 3/31/99 3/31/00 after

Prior to	A	24.20	25.00	25.85	26.80	27.85	29.05	35.34
4/1/80	B	24.45	25.25	26.10	27.05	28.10	29.30	35.59
	C	24.70	25.50	26.35	27.30	28.35	29.55	35.84

On or	A	25.40	26.65	27.95	29.35	30.90	32.60	35.34
After	B	25.65	26.90	28.20	29.60	31.15	32.85	35.59
4/1/80	C	25.90	27.15	28.45	29.85	31.40	33.10	35.84

but prior  
to 4/1/85

On or	A	27.75	28.55	29.40	30.35	31.40	32.60	35.34
After	B	28.00	28.80	29.65	30.60	31.65	32.85	35.59
4/1/85	c	28.25	29.05	29.90	30.85	31.90	33.10	35.84

but prior  
to 4/1/88

All post 1988 and pre 1994 retirees to be increased \$.80 and then indexed effective April 1, 2000.

The Basic Retirement Pension for an employee who retires between April 1, 2000 and April 28, 2006 is the following amount per month for each year of credited service:

Date of Retirement	Benefit Class	Code	
April 1, <b>2000</b> through March 31, <b>2001</b>	A		<b>52.00</b>
	B		<b>52.25</b>
	C		<b>52.50</b>
April 1, <b>2001</b> through March 31, <b>2002</b>	A		<b>53.00</b>
	B		<b>53.25</b>
	C		<b>53.50</b>
April 1, <b>2002</b> through March 31, <b>2003</b>	A		<b>54.00</b>
	B		<b>54.25</b>
	C		<b>54.50</b>
April 1, <b>2003</b> through March 31, <b>2004</b>	A		<b>55.00</b>
	B		<b>55.25</b>
	C		<b>55.50</b>
April 1, <b>2004</b> through March 31, <b>2005</b>	A		<b>56.00</b>
	B		<b>56.25</b>
	C		<b>56.50</b>
on or after April 1, <b>2005</b>	A		<b>57.00</b>
	B		<b>57.25</b>
	C		<b>57.50</b>

These benefit rates are subject to the Pension COLA adjustment provisions contained in Appendix 'B'.

#### 4. Supplementary Retirement Pension

In addition to the Basic Retirement Benefit, an employee who retires on or after April 1, 1980, will be entitled to a Supplementary Retirement Pension. The Supplementary



Retirement Pension is the following amount for each year of credited service, up to a maximum of thirty (30) years service:

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SUPPLEMENTARY PENSION RATE AMOUNT  
APPLICABLE

Date of Retirement	Prior to Statutory Benefit Age
On or after April 1, 1980 but prior to April 1, 1981	\$14.00
On or after April 1, 1981 but prior to April 1, 1982	\$15.00
On or after April 1, 1982 but prior to April 1, 1985	\$16.00
On or after April 1, 1985 but prior to April 1, 1986	\$16.00
On or after April 1, 1986 but prior to April 1, 1987	\$17.00
On or after April 1, 1987	\$18.00

For an employee retiring prior to age 60, this benefit is reduced in exactly the same way as the Basic Retirement Benefit.

The Supplementary Retirement Pension is reduced by any Statutory Benefits receivable upon attaining age 65.

## 5. Surviving Spouse Option

Normally, pension payments will cease on the death of the employee. However, an employee may elect to receive a reduced Basic Retirement Pension. In this case, if he is survived by his spouse, she will receive a pension equal to 60% of his reduced Basic Retirement Pension. The spouse's pension is payable for the rest of her life.

The reduction factor is 5% provided the difference in age between the employee and his spouse is not more than five years, ten (10) years if employee breaks seniority on or after April 1, 2000. If the spouse is more than five years younger, then the reduction factor will be increased by 1/2% for each year that the difference in age exceeds five years. If the spouse is more than five years older, then the reduction factor will be correspondingly reduced.

This reduction factor is applied over and above any reduction applicable because of an employee's early retirement. Example: An employee elects to retire at age 58 and elects the Surviving Spouse Option, he being the same age as his wife. His Basic Retirement Benefit will be reduced by 13.3% for early retirement, and this reduced pension is then reduced by 5% for the Surviving Spouse Option.

This election is automatic unless the employee specifically rejects it in writing at time of retirement. If retirement is caused by permanent and total disability, the election does not take effect until the employee attains the age of 55.

## 6. Spouse's Pension

If an employee who is age 55 or more and has at least ten years continuous service should die while still in active serv-

ice with the Company, his spouse will be entitled to a pension payable for the rest of her life. This pension will be calculated as though the employee has elected to retire on the date of his death, had elected the Surviving Spouse Option described in paragraph 5 above, and then died.

#### **7. Termination of Employment**

If an employee leaves the Company prior to retirement and has at least ten (10) years continuous service with the Company, he is entitled to his Basic Retirement Pension commencing at age 65.

By making written application to the Company he may elect to commence receiving this pension as early as age 60, subject to a reduction in pension of 1/2% for each month that his pension commencement date precedes age 65. In any event, a written application for pension must be made not more than 90 days prior to the date pensions are to commence. An employee who leaves the Company prior to retirement is not entitled to any Supplementary Retirement Pension.

#### **8. Non-Duplication of Benefits**

If an employee becomes entitled to Extended Disability Benefits, and is also entitled to pension benefits under this plan, he will not receive any pension benefits under this Plan until the other benefits cease. A beneficiary will be entitled to the greater of Transition and Bridge Survivor Income Benefits or any pension benefits payable under this plan, but not both.

#### **9. General Provisions**

Before any pension benefit may be paid, proof of age satisfactory to the Board of Administration must be furnished, as well as any other pertinent information that the Board may request.

An employee may not borrow against or in any way assign benefits payable under this plan.

A statement of his benefit entitlement will be provided to any employee who leaves the Company with benefit rights.

**10. Termination and Amendment**

It is the intention of the Company that the Plan shall operate into the indefinite future. Because of the possibility of unforeseen developments beyond its control the Company necessarily reserves the right to amend or discontinue the Plan, subject to statutory limitations, and limitations in the Collective Agreement.

EXHIBIT "A"  
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ARTICLE I  
DEFINITIONS

As used herein:

- a) "PLAN" shall mean the pension plan described herein.
- b) "COLLECTIVE BARGAINING AGREEMENT" or "COLLECTIVE AGREEMENT" shall mean the collective bargaining agreement between the Company and the Union dated the **11th** day of March, **2000**.
- c) "BARGAINING UNIT" shall mean the unit of employees covered by the Collective Bargaining Agreement.
- d) "EMPLOYEE" shall mean an individual who acquired seniority status in the Bargaining Unit. The term Employee shall include part-time employees who, during each of two consecutive calendar years after 1985, either had earnings at least equal to 35 per cent of the Y.M.P.E. or worked at least 700 hours.
- e) "BOARD" shall mean the Board of Administration as constituted from time to time pursuant to Article XI.
- f) "EFFECTIVE DATE" shall be March 11, **2000**.
- g) "UNION" shall mean the National Automobile, Aerospace, Transportation and General Workers Union of Canada (**CAW**) and its Local 1451.
- h) "PENSION FUND" or "FUND" shall mean all trust funds under any trust agreement between the Company

and Trustee for the purpose of providing benefits under the Plan.

- i) "RETIRED EMPLOYEE" shall mean an Employee retired under this Plan.
- j) "TRUSTEE" shall mean the trustee, trustees, or successor trustee or trustees provided for under the Plan, which shall be an incorporated trust company or companies appointed by the Company under a trust agreement as Trustee of the Pension Fund.
- k) "ACTUAL STATUTORY BENEFIT" shall mean any retirement or disability benefit an Employee or Retired Employee is entitled to receive under the Canada or Quebec Pension Plan or any other equivalent provincial plan determined on the basis of the amount of such benefit as of the date of his retirement. For the purpose of this Plan, the amount of such Statutory Benefit shall be the amount that such Employee or Retired Employee shall be eligible to receive even though the Employee or Retired Employee either does not apply for or loses part or all of such Statutory Benefit through delay in applying for such Benefit, by earnings while eligible for such benefit, or other act or failure to act.
- l) "ESTIMATED STATUTORY BENEFIT" shall mean at or after Statutory Benefit Age the amount of Statutory Benefit to which an Employee is assumed to be entitled, as estimated by the Company at the date such Statutory Benefit first becomes available to the Employee the premise being that the employee was in full-time active employment with the Company from January 1, 1966 to



the date of retirement.

- m) "CREDITED SERVICE" shall mean the number of years and months of service which an Employee may count in determining eligibility for and amount of a pension, as computed in Article IX.
- n) "STATUTORY BENEFIT AGE" shall mean age 65.
- o) "REGULAR EARLY RETIREMENT" shall mean early retirement at the employee's option as provided under the terms of Article IV, Section 2(A) of this Plan.
- p) "SPECIAL EARLY RETIREMENT" shall mean retirement under mutually satisfactory conditions as provided under the terms of Article IV, Section 2(C) of this Plan.
- q) "VESTED EMPLOYEE" shall mean an Employee whose seniority shall cease and who at the date his seniority ceases has either two (2) years or more of Credited Service, or two (2) years or more of Continuous Service.
- r) The definition of SPOUSE shall comply with Pension Legislation in Ontario. "Spouse" shall mean the person of the opposite sex who either:
  - (i) was by law married to the Employee prior to either his/her retirement or the effective date of any election under Article IV, Section 6(A) of this Plan, and is not legally separated from the Employee, at his/her date of death; or

- (ii) establishes to the satisfaction of the Board that he/she had, for a period of not less than three (3) years immediately before either the retirement of the Employee or the effective date of any election under Article IV, Section 6(A) of this Plan, and before the death of the Employee with whom he/she had been residing and whom by law he/she was prohibited from marrying by reason of previous marriage either of the Employee or of herself to another person, and has been publicly represented by the Employee as the Spouse of the Employee, or
- (iii) establishes to the satisfaction of the Board that he/she had, for not less than one year immediately before either the retirement of the Employee or the effective date of any election under Article IV, Section 6(A) of this Plan, and before the death of the Employee with whom he/she had been residing, been publicly represented by the Employee as the Spouse of the Employee and that at the time of the death of the Employee, neither he/she nor the Employee was married to any other person, who the Board deems to be the Spouse of the deceased Employee.

For the purposes of (ii) and (iii) above, such person shall be deemed to have become the Spouse of the Employee at such time as he/she commenced being so represented as the Spouse of the Employee and for these purposes a person who would qualify under (ii) or (iii) above, but for his/her marriage to the Employee after such time as he/she commenced being so represented as the Spouse of the Employee, shall, if the Board so directs, be deemed to

have become married to the Employee at the time when, in fact he/she commenced being so represented.

One, and only one person, as determined by the Board, shall qualify as the Spouse of the Employee. The Board's determination with respect to this matter shall be final.

Notwithstanding subparagraphs (i) to (iii) above, if a person qualifies as a Spouse pursuant to the Pension Benefits Act, 1987 (Ontario) or pursuant to any applicable successor legislation, then this person shall qualify as the Employee's Spouse, and no other person shall be entitled to spousal benefits.

Wherever the term Employee is used in this definition (r), it shall also mean "Retired Employee" or "Vested Employee".

- s) "QUALIFIED ACTUARY" shall mean the person who is a Fellow of the Canadian Institute of Actuaries, or firm employing such person, appointed by the Company for the purposes of this Plan.
- t) "CONTINUOUS SERVICE" shall mean an Employee's most recent period of uninterrupted employment, as recorded in the Company's records with the Company and the Budd Company and any of their subsidiaries, affiliated and associated companies, and shall include any period of Credited Service, but not more than one year will be included in Continuous Service for any one calendar year of uninterrupted employment.

- u) "SHORT-TERM MILITARY LEAVE" shall mean a leave of absence granted to an Employee who is on short-term active duty of thirty (30) days or less because he was called to active service in the Militia or Reserve by Provincial or Federal authorities in the case of a public emergency and who would be on a qualifying layoff but for such active duty.
- v) "BASE HOURLY RATE" means:
  - (a) For a non-incentive employee, his current hourly rate, including COLA and S.C.A. but excluding overtime premium or shift premium, in effect on the last day worked prior to date of retirement.
  - (b) For an incentive Employee, his prevailing hourly rate, including COLA, S.C.A. and S.I.A., but excluding overtime premium or shift premium, in effect on the last day worked prior to date of retirement.
- w) "ACTUARIALLY EQUIVALENT" shall mean a benefit of equivalent value but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Qualified Actuary, in accordance with the Pension Benefits Act, 1987 (Ontario) and any Regulations thereto and the Income Tax Act (Canada), and in effect on the date such determination is being made.
- x) "COMMUTED VALUE" shall mean the present value of a pension, deferred pension or any other benefit, calculated by a Qualified Actuary.

- y) "PLAN YEAR" shall mean a calendar year beginning on January 1 and ending on December 31.
- z) "YEAR'S MAXIMUM PENSIONABLE EARNINGS (Y.M.P.E.)" shall mean that figure established by the Canada Pension Plan in each year as being the maximum earnings on which Canada Pension Plan contributions may be paid.
- aa) "ADMINISTRATOR" shall mean the Company or such persons or Pension Committee to whom the Company may delegate authority to administer the Plan. The Company shall decide all matters and questions in respect of the operation, administration and interpretation of the Plan not specifically covered under Article XI.

## ARTICLE II PENSION FUND

The Company shall maintain during the term of this Agreement, a Pension Fund to be held by a Trustee into which, during the term of this Agreement, the Company's payments to fund pensions shall be made. Investment of the Pension Fund shall be made by Investment Managers appointed from time to time by the Company. No Employee shall make or be required to make any payment to the Pension Fund. The Pension Fund shall be used to pay the pension described in this Plan and the pensions shall be payable only from the Pension Fund and only to the Employees, Retired Employees and Vested Employees, applying after the effective date for pensions in the manner hereinafter set forth in this Plan. Expenses of the Pension Fund shall be payable from the Pension Fund.

The Company shall contribute to the Pension Fund not less frequently than monthly the amounts determined by the Qualified Actuary which together with the principal and accumulated net earnings of the Fund, will properly fund the benefits provided under the Plan. Company contributions, including amounts required to liquidate any unfunded liability or solvency deficiency, shall conform to the funding requirements of the Pension Benefits Act, 1987 (Ontario) and any other applicable legislation.

Surplus could be used to reduce or eliminate current service contribution, unfunded liabilities and/or solvency deficiencies.

### ARTICLE III TRUSTEE OF THE FUND

The Company shall have the sole right to select and contract with the Trustee, to remove any Trustee, to select successor Trustees and to determine the form and terms of the trust agreement with the Trustee, which shall limit the investments of the Trustee to those which are now or hereafter may be permitted for registered pension plans under the applicable Income Tax Act or Acts, or under any other applicable laws.

ARTICLE IV  
ELIGIBILITY FOR RETIREMENT AND AMOUNTS  
OF PENSIONS

SECTION 1 NORMAL RETIREMENT

The basic monthly pension payable on and after April **1, 2000** to a Retired Employee, or to the eligible surviving Spouse of a Retired Employee who was retired prior to such date, or to the eligible surviving Spouse of an active Employee whose death occurred prior to such date, shall be based on the applicable amount as provided in Appendix C to this Plan, multiplied by the number of years and fractions of years of Credited Service he had at the date of his retirement or death, subject to reduction for the Automatic Surviving Spouse Option, if applicable, and any other reductions applied at the time of retirement. For this purpose the Benefit Class Code applicable to the Retired Employee will be the Benefit Class Code used in calculating his basic monthly pension at the time of retirement.

The basic monthly pension payable on and after April **1, 2000** to an Employee who retires on or after such date and who has attained age 65, shall be the amount that is assigned to the Benefit Class Code applicable to him as provided in Appendix A to this Plan, multiplied by the number of years and fractions of years of Credited Service he had at the date of his retirement.

SECTION 2 EARLY RETIREMENT

A. Regular Early Retirement

1. (i) An Employee who has attained age 60, but not age 65, and who has ten (10) or more years of Credited Service or ten (10) or more years of Continuous Service, may retire at his option.
  
- (ii) An Employee who has attained age 55 but not age 60, and who has combined years of age and years of Credited Service, or years of Continuous Service to the nearest 1/12 in each case) totalling 85 or more, may retire at the option of the Employee.
  
- (iii) An Employee who has 30 or more years of Credited Service or Continuous Service, may retire at the option of the Employee.

The Monthly Pension Payable to an Employee who retires at his option, on a date selected by the Employee, shall be the number of years and fractions of years of Credited Service he had at the date of his retirement multiplied by the applicable amount as provided in Appendix C to this Plan and multiplied by the applicable Factor set forth in the following table:

Age Attained When Pension Commences	Applicable Factor
42 years	<b>.243</b>
43 years	<b>.261</b>
44 years	<b>.282</b>
45 years	<b>.304</b>



46 years	.328
47 years	.354
48 years	.383
49 years	.415
50 years	.450
51 years	.489
52 years	.532
53 years	.579
54 years	.635
55 years	.694
56 years	.752
57 years	.808
58 years	.867
59 years	.933
60 years or over	1.000

The above table is expressed in whole years of age. Accordingly, it will be necessary to interpolate on a one-twelfth (1/12) basis to take into account completed months of age at benefit commencement.

2. If an Employee who has 30 or more years of Credited or Continuous Service retires at his option the monthly basic benefits otherwise payable after age 60 shall be redetermined without any such reduction.
  
3. If an Employee whose combined years of age and years of Credited or Continuous Service (to the nearest 1/12 in each case) shall total 85 or more, retires at his option,

the Monthly Basic Benefits otherwise payable to him after age 60 shall be re-determined without any such reduction.

**B.** An Employee discharged for cause after such Employee is eligible to retire at his option under Section 2 (A) of this Article IV, shall be entitled to the benefits as calculated in Section 2(A) of this Article IV, as though he had retired at his option.

**C. Special Early Retirement**

The monthly pension of an Employee who retires between the ages of 55 and 65 with either ten (10) or more years of Credited Service or ten (10) or more years of Continuous Service under mutually satisfactory conditions, shall be computed on the basis as outlined in Section 1 of this Article IV.

**D. Optional Early Retirement**

An Employee who is not eligible to retire under any other provision of this Article IV or Article V, may elect to retire at any time after attainment of age 55 and completion of two years of Continuous Service. The monthly pension payable to such Employee shall be equal to the amount that is assigned to the Benefit Class Code as provided in Appendix C to this Plan, multiplied by the number of years and fractions of years of Credited Service. However, such pension shall be reduced such that the monthly pension payable at pension commencement is equal to the Actuarial Equivalent of the pension that would be otherwise payable if the Employee deferred commencement of his pension until age 65.

### SECTION 3 AUTOMATIC RETIREMENT

An Employee shall be automatically retired by the last day of the month preceding the month in which he attains his 65th birthday unless prohibited by law.

### SECTION 4 MAXIMUM ALLOWABLE LIFETIME PENSION FOR EMPLOYEE RETIRING AFTER DECEMBER 31, 1991

Notwithstanding anything to the contrary, the annual lifetime retirement benefit provided under this Plan with respect to any Employee, including any amounts paid out to the Employee's Spouse as a result of marriage breakdown (but excluding any benefits payable under Article IV, Section 10 and Article VII) shall be limited for the year in which the pension commences to be paid by the following maximums:

#### 1) Normal Retirement Benefit

An Employee whose pension commences on his Normal Retirement in accordance with Article IV, Section 1 or, who terminates his service prior to his retirement, shall be limited to a pension which is equal to the lesser of (a) and (b), multiplied by (c) where:

(a) is \$1,722.22, and

(b) is 2% of the average of the Employee's highest three (3) years' remuneration from the Company, and

(c) is the sum of Credited Service prior to January 1, 1992, to maximum of 35 years, and Credited

Service after December 31, 1991.

2) **Early Retirement Lifetime Benefit**

The annual lifetime pension for an Employee whose pension commences on his Early Retirement in accordance with Article IV, Section 2 or Article V and/or by virtue of the application of Appendix E, shall be limited to a pension which is the lesser of:

- (a) the pension calculated in accordance with Article IV, Section 2, or Article V and/or Appendix E, as applicable; and
- (b) the lesser of the pension calculated in accordance with Article IV, Section 1 and the pension outlined in Article IV, Section 4(1) above, each

reduced by 0.25% for each month by which the commencement of payments precedes the earliest date determined under clauses (i) to (iv) below, as the case may be, calculated as if the Employee had continued in employment:

- a) the date on which the Employee attains age 60,
- b) the date on which the Employee completes 30 years of early retirement eligibility service, as specified under Regulation **8503(3)C.** of the Income Tax Act (Canada).
- c) the date on which the sum of the Employee's age and years of early retirement eligibility service, as specified under Regulation **8505(3)C.** of the

Income Tax Act (Canada) is equal to 80 years, and

- d) the date on which the Employee became totally and permanently disabled as defined in section 1(B)(1) of Article V.
- 3) The above applies only to pension benefits accrued in respect of Credited Service on or after January 1, 1992. Pension benefits accrued in respect of Credited Service prior to January 1, 1992, will continue to be limited by paragraph 21 of Information Circular 72-13R8.

#### **SECTION 5 RE-EMPLOYMENT OF RETIRED EMPLOYEE**

If a Retired Employee receiving an early retirement pension under this Article shall be re-employed by the Company, then his pension shall cease. The Credited Service he had at the date of his retirement and his service with the Company after the date he is re-employed, shall be used in computing his Credited Service under Article IX hereof.

#### **SECTION 6 AUTOMATIC SURVIVING SPOUSE OPTION**

- A.
  1. In lieu of the monthly pension otherwise payable to an Employee, such Employee shall automatically be deemed to have elected a reduced monthly pension payable during his lifetime after the effective date of his election, terminating with the last monthly payment before his death, with the provision that if his death occurs on or after the effective date of his election and if

the surviving Spouse being the person who was his Spouse on such date is living at his death, a pension in the amount specified below shall be payable monthly thereafter to such surviving Spouse during her lifetime, terminating with the last monthly payment before her death.

2. Except in the case of an Employee who is retired on a permanent total disability retirement, this automatic election shall be deemed to have been made at the time that the Employee applies for a monthly pension and the effective date of the election shall be the date his monthly pension commences; subject, however, to the following:
  - (a) The automatic election provided in this subsection A shall be applicable only with respect to an Employee and Spouse who is his Spouse on the effective date of the election.
  - (b) In the case of an Employee who retires or loses his seniority on or after April 18, 1977 and who has a Spouse who qualifies under Definition (r) (ii) of Article I, the effective date of his election shall be the date on which the three (3) year qualification under that definition is completed.
3. In the case of an Employee who is retired on a permanent total disability retirement, this automatic election shall be deemed to have been made on the later of (i) the day he attains age 55, or (ii) the date on which his disability retirement becomes effective, and the effective date of this election shall be the same; subject, however, to subsection 2 of this Section 6.

4. An Employee may prevent the automatic election provided in this subsection (A) by specific written rejection executed at the time of application for pension benefits or in the month immediately preceding. Such specific written rejection, which for rejections made after April 1, 1985 includes the written consent of the Employee's Spouse witnessed by a Board member or a Notary Public, shall be executed in whatever form and manner may be prescribed by the Board, subject to any applicable legislation for this purpose, and in the event such specific written rejection is so executed, the Employee shall be entitled to the applicable monthly pension provided in Sections 1,2 or 3, of Article IV, in Article V or in Article VI, without application of the reduction provided in clause 5 of this subsection (A).
  
5. The monthly pension payable to the Employee who shall have been deemed to have made the automatic election provided above in this subsection (A), shall be determined by reducing the amount of the applicable monthly pension otherwise payable under Section 1,2 or 3 of Article IV, under Article V or under Article VI by a percentage determined as hereinafter provided; except that, in the case of an Employee whose basic benefits are subject to re-determination, the amount of reduction in his monthly basic benefit for the Survivor Benefit election shall be calculated as a percentage of the monthly basic benefit payable to such employee after redetermination. The percentage to be used shall be 5% if the age of the Employee and the age of his Spouse do not differ by more than five (5) years. If the age of the Spouse is less than the age of the Employee by more than five (5) years, the percentage shall be 5% increased by 1/2 of 1% for

each year in excess of five (5) years that the age of the Spouse is less than the age of the Employee. If the age of the Spouse is greater than the age of the Employee by more than five (5) years, ten (10) years if employee retires on or after April 1, 2000, the percentage shall be 5% reduced by 1/2 of 1% for each year in excess of five (5) years that the age of the Spouse exceeds the age of the Employee, provided that if the age of the Spouse is 15 years or more greater than the age of the Employee, the percentage shall be nil.

For this purpose, the ages of the Employee and his Spouse shall each be the age of his or her last birthday prior to the effective date of the election as provided in clause 2, above. The reductions provided in this clause shall be made in all monthly pension payments paid to the Retired Employee on or after the date on which his election becomes effective, except as otherwise provided in subsection (C) below.

6. (i) The monthly pension payable to the surviving Spouse, if the Retired Employee's death occurs on or after the effective date of his election and the person who was his Spouse on such date is living at his death, shall be 60% of the reduced monthly pension payable to the Retired Employee.

However, if the Employee's basic benefits were subject to redetermination at some date on or after his death, the surviving Spouse's pension shall also be subject to redetermination. This redetermination shall be according to the same formula and shall occur on the same date as would have applied to the Retired Employee if he had not died.



- (ii) In no event shall the Commuted Value of the reduced monthly pension payable to the Employee together with the Commuted Value of any survivor pension payable to the surviving Spouse, calculated pursuant to subsections 6.A.5 and 6.A.6(i) above, be less than the Commuted Value of the monthly pension that would have been payable to the Employee if he did not have a Spouse.
7. An Employee who is deemed to have made the automatic election provided in this subsection (A), must produce an official marriage certificate and birth certificate of his Spouse or other evidence of his relationship to and age of his Spouse satisfactory to the Board in its reasonable discretion
  8. If a Retired Employee acquires a Spouse after an automatic election had become effective but is no longer in effect, or if a Retired Employee did not have a Spouse on the date such election could otherwise become effective acquires a Spouse subsequent to such date, such Retired Employee may elect or re-elect such option. If such election is made, the benefit payable to the Retired Employee or his surviving Spouse shall be determined in accordance with the terms and conditions of the Plan in effect at the time such Retired Employee's retirement benefits commenced. The election described in this paragraph shall become effective as of the first day of the third month following the month in which the Company receives the Retired Employee's written election, but not before the first day of the month in which the Retired Employee has had his new Spouse for one year. Such election shall not become effective unless the Retired

Employee's written election is received by the Company no later than the first day of the month following the month in which such Retired Employee has had his new Spouse for one year.

- B.** Any supplementary pension payable to the Retired Employee in accordance with Article VII or special allowance in accordance with Section 10 of this Article IV, shall not be included in the applicable monthly pension in computing the monthly pension to which this Section may apply, but shall be paid to the Retired Employee under the conditions as provided in Section 10 of Article IV and Article VII.
  
- C.** If the Employee is deemed to have made the election provided for in subsection (A) above, and the Employee's Spouse dies or should otherwise cease to be his Spouse after he had made such election but before the effective date of such election, the election shall be revoked automatically. The election shall be irrevocable at and after the effective date of the election if the Employee and his designated Spouse are both living on such date, except as provided in the next following paragraph.

If, after the effective date of the election and during the lifetime of the Employee, the Employee's designated Spouse dies or should cease to be his Spouse by virtue of a final decree or judgment of divorce, the terms of which do not expressly prohibit cancellation of the survivor annuity, then the Employee may have his monthly pension restored to the monthly amount without reduction for such election. In the case of the Spouse's death, this shall become effective the first day of the third month

following the month in which the Company receives from the Retired Employee evidence satisfactory to it of such Spouse's death. In the case of a final decree or judgement of divorce from his Spouse, this shall become effective on the first day of the third month following the month in which the Company receives from the Retired Employee both evidence satisfactory to it of such divorce and, on a form approved by it, the Retired Employee's written revocation of the election because of the divorce.

#### SECTION 7 BENEFITS TO SURVIVING SPOUSES OF DECEASED EMPLOYEES

The surviving Spouse of an Employee who dies:

- 1) on or after attaining age 55 and after he is eligible to retire at his option under subsection (A) of Section 2 of this Article IV, but before he has retired under the Plan or before the date of his monthly pension commences, and
- 2) who if he had retired at the date of his death, would have been eligible to make the election under subsection (A) of Section 6 of this Article IV, shall be entitled to a reduced monthly pension during her lifetime, terminating with the last monthly payment before her death.

The pension payable to a surviving Spouse under this Section 7, shall be the amount she would have been entitled to receive under Section 6 of this Article IV if such Employee had retired on the date of his death under Section 1 or under subsection (A) of Section 2 of this article IV, whichever is applicable, and had been deemed to have made the election referred to in subsection (A) of Section 6 of this Article IV.

**Section 7A Pre-Retirement Death Benefit**

Notwithstanding the provisions of Section 7 of this Article IV, in the event that an Employee or a Vested Employee who terminated employment on or after January 1, 1988 and is entitled to a deferred vested pension pursuant to Section 1 of Article VI dies prior to pension commencement, the Spouse or, in the event the Employee does not have a Spouse, the designated beneficiary of the Employee shall receive, in respect of credited service on and after January 1, 1987, a benefit, including any survivor benefits provided under any other Section of this Article IV which is at least equal to the lump sum Actuarial Equivalent of the pension earned on and after January 1, 1987.

The designated beneficiary shall mean that person last designated by the Employee as being eligible for a benefit hereunder or, in the absence of an effective designation, the estate of the Employee.

**Section 7B Transfer of Benefits**

A Spouse who is entitled to a benefit pursuant to Section 7A of this Article IV may elect to transfer the benefit payable thereunder to

- (a) a registered retirement savings plan,
- (b) a registered pension plan in which such Spouse is a member, provided that such plan permits such transfers, or
- (c) an insurance company in order to purchase an immediate annuity or a deferred annuity commencing on or before

the Spouse's attainment of age 65.

- (d) such other vehicles as may from time to time be permitted under the Income Tax Act (Canada) and Regulations and any other applicable legislation.

If the Spouse has an entitlement to a pension pursuant to Section 7 of this Article IV and elects to transfer an amount pursuant to this Section 7B, the amount of the monthly pension payable under Section 7 of this Article IV will be reduced by the Actuarial Equivalent of the amount so transferred.

#### SECTION 8 APPLICATION OF TRANSITION AND BRIDGE BENEFITS

A surviving Spouse shall not receive the monthly pension payable under the Plan for any month in which the amount of Transition or Bridge benefits payable to such Spouse under the Company insurance program is greater than the amount of the pension. In no case, shall a surviving Spouse receive in any month, both Transition or Bridge benefits and monthly pension under the Plan.

#### SECTION 9 APPLICATION TO VESTED EMPLOYEE

Whenever the term "Employee" or "Retired Employee" is used in Section 6 of this Article IV, except in subsection (B) of Section 6, it shall also mean "Vested Employee".

SECTION 10 SPECIAL ALLOWANCE FOR  
EARLY RETIREMENT

- A. An Employee who has 30 or more years of Continuous Service or Credited Service, who retires under Section 2 of this Article IV (other than Section 2 (B) of this Article IV unless the Company or an Arbitrator under an applicable collective bargaining agreement determines his discharge should not result in his being ineligible for benefits under this Section 10) or Article V, and who files his application for pension within five (5) years of the last day he worked for the Company, and who agrees to restrict his participation in the workforce as provided in E below will receive, prior to attaining age 60 an amount which when added to his monthly basic pension and supplementary pension payable prior to age 60 will equal the amount of total monthly benefit applicable to him as provided in the table set forth below, subject to the provisions of B,C, D and G of this Section 10.

TOTAL MONTHLY BENEFIT RATE FOR  
DETERMINING MONTHLY SPECIAL ALLOWANCE

Date of Retirement Under the Plan	Amount of Total Monthly Benefits
April 1, 2000 through March 31, 2001	<b>\$2649.00</b>
April 1, 2001 through March 31, 2002	<b>2704.00</b>
April 1, 2002 through March 31, 2003	<b>2759.00</b>

April 1, 2003 through March 31, 2004	2819.00
April 1, 2004 through March 31, 2005	2879.00
On or after April 1, 2005	2939.00

Subject to Pension Cost of Living Adjustment contained in Appendix 'B'.

- B.** In case of an Employee retiring with benefits payable under Section 2 of Article IV, or Article V, his Special Allowance shall be calculated assuming that his pension commences immediately after retirement.
- 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 shall be deemed to include the amount of Supplementary Pension payable without such reduction.
- D.** If an Employee entitled to a Special Allowance makes the election or is deemed to have made the election provided in Section 6 of this Article IV, his Special Allowance shall be computed on the basis of the monthly pension he would have received under Section 2 of Article IV or Article V, whichever is applicable, as if he had not made or been deemed to have made the election under Section 6.

- E.** The Special Allowance of an Employee entitled to such allowance shall commence on the first day of the month following the date on which the Employee retires and shall be payable monthly thereafter, until and including, the first day of the month following the month in which he attains age 60, or he dies, or his pension ceases for any other reason, or he is re-employed by the Company, whichever occurs first; providing however, that if an employee entitled to receive a Special Allowance has Earnings after retirement in excess of YMPE in any calendar year (such earnings being defined for this purpose as the type of employment earnings permitted without reduction of benefits under the Canada Pension Plan or Quebec Pension Plan), a penalty equal to double the amount by which such earnings exceed the amount permitted shall be charged against such succeeding monthly Special Allowance which he would otherwise be entitled to receive until the full amount of such penalty is satisfied, it being understood that penalties and charges herein shall be cumulative if appropriate:

An Employee receiving a Special Allowance may be required to certify whether his earnings have been in excess of the permitted amount and to furnish verification of the amount of his earnings.

Unless repaid by the Employee in a lump sum, any overpayments of a Special Allowance made after an Employee incurred a penalty because of excess earnings in accordance with the preceding paragraph shall be deducted from future monthly benefits payable to him under this Pension Plan.



- F.** If a Retired Employee has been receiving a pension under Article V, and has been receiving Special Allowance payments and, on the basis of medical evidence satisfactory to the Company it is found that he is no longer totally and permanently disabled and has his seniority restored, or if he is re-employed by the Company, he shall not thereby forfeit any right he may thereafter have to receive Special Allowance payments, if he thereafter retires under this Pension Plan.
- G.** If the total of the Employee's monthly pension and Supplementary Pension under this Pension Plan and his monthly Special Allowance as computed above would exceed 70% of his final base pay, his monthly Special Allowance (but not his Monthly Pension and Supplementary Pension) shall be reduced to the extent required so that such Monthly Pension plus his Special Allowance will equal 70% of his final base pay. For this purpose, an Employee's final base pay shall mean  $173\frac{1}{3}$  times his base hourly rate as defined in Article I.

**SECTION 11 EMPLOYEES NOT ACTIVELY  
AT WORK**

The absence of an Employee from active work at the time such Employee would be eligible to retire under the Plan shall not preclude the Employee's retirement without return to active work.

SECTION 12 MAXIMUM ALLOWABLE  
SUPPLEMENTARY PENSION FOR  
EMPLOYEES RETIRING AFTER  
DECEMBER 31, 1991

The monthly temporary pension payable to an Employee in any month shall not exceed the product of (A), (B) and (c), where:

(A) is equal to the sum of:

- (i) the maximum monthly pension benefit payable at age 65 under the Old Age Security Act as at the date the Employee commences receiving pension payments, and
- (ii) the maximum monthly pension benefit payable under the Canada Pension Plan as at the date the Employee commences receiving pension payments, determined as if he Employee were age 65 at such date, multiplied by the ratio, not to exceed one, that the total of the Employee's remuneration for the three calendar years in which the remuneration is the highest bears to the total of the YMPE for those three years; and

(B) is equal to the sum of:

- (i) the ratio that the Employee's Credited Service prior to January 1, 1992 bears to total Credited Service, and
- (ii) the product of:

- (a) the ratio that the Employee's Credited Service after December 31, 1991 bears to total Credited Service,
- (b) the ratio that the Employee's Credited Service bears to 10 years, such ratio not to be greater than one, and
- (c) 100% less .25% for each month, if any, by which the date the Employee's pension payment commencement precedes the date the Employee will attain age 60; and

(C) is equal to the ratio of the Consumer Price Index in the month in which the pension payment is being made to the Consumer Price Index in the month in which pension payments commenced to be paid to the Employee.

For purposes of this determination, the monthly temporary pension payable to the Employee shall be defined as the amount, if any, by which the total pension payable under the Plan to the Employee in the month exceeds the basic pension benefit payable after the Employee attains age 65, such basic pension benefit being calculated pursuant to Article IV or Article V, as applicable.

**SECTION 13 MAXIMUM ALLOWABLE TOTAL  
PENSION FOR EMPLOYEES  
RETIRING AFTER DECEMBER 31, 1991**

The sum of an Employee's monthly temporary pension, as defined in Section 12 above, in respect of Credited Service after December 31, 1991, plus the monthly Basic Benefit in

respect of Credited Service after December 31, 1991, shall not exceed one-twelfth of the sum of:

- (a) \$1,722.22 multiplied by Credited Service after December 31, 1991; plus
- (b) 25% of the average of the YMPE in the year of retirement and the two immediately preceding years multiplied by the ratio of the Employee's years of Credited Service after December 31, 1991 to 35 (such ratio not to exceed one).

#### Article V

### PERMANENT TOTAL DISABILITY RETIREMENT

#### SECTION I ELIGIBILITY FOR AND AMOUNT OF PENSIONS

- A. 1) The monthly pension of an Employee who is permanently and totally disabled or occupationally disabled, and who became permanently and totally disabled or occupationally disabled after the Effective Date and who retires because of such disability before age 65 with 10 years or more of continuous or Credited Service, shall be equal to the monthly pension computed on the basis outlined in Section 2(c) of Article IV, subject to the maximum limitations described in Section 4, of Article IV.
- 2) Any pension payable under this Section shall continue while the Employee shall be permanently and totally disabled or occupationally disabled, as appli-

cable, and until the Employee shall reach age 65, but no longer.

- 3) If such Employee's total disability shall continue until age 65, the Employee shall be deemed to have retired at age 65 and shall receive the benefits provided for normal retirements under the Plan, based on the same Credited Service that was used in computing the permanent total disability pension, and subject to the maximum limitations described in Section 4 of Article IV, where applicable.
- (B) 1) An Employee shall be deemed to be permanently and totally disabled if the Employee is suffering from a physical or mental impairment that prevents the Employee from engaging in any employment for which the Employee is reasonably suited by virtue of the Employee's education, training or experience and that can reasonably be expected to last for the remainder of the Employee's lifetime. Such determination shall be established by a written certificate of a medical doctor licensed to practice in a province of Canada or in the place where the employee resides.
- 2) Notwithstanding clause 1, above, if an Employee was already receiving permanent total disability retirement benefits as of December 31, 1991, the determination as to whether an Employee remains permanently and totally disabled shall be made in accordance with the definition of occupationally disabled in accordance with subsection C of Section 1 of this Article V.

(C) An Employee shall be deemed to be occupationally disabled only if not engaged in regular employment or occupation for remuneration or profit (excluding employment or occupation which the Board determines to be for the purposes of rehabilitation), and the Board shall find, on the basis of medical evidence:

- 1) that the Employee has been totally disabled by bodily injury or disease so as to be prevented thereby from engaging in regular occupation or employment with the Company at the plant or plants where he has seniority.
- 2) that such disability will be permanent and continuous during the remainder of the Employee's life, provided that no Employee shall be deemed to be occupationally disabled for the purposes of this Plan if the disability resulted from service in the armed forces of any country except that nothing herein shall prevent an Employee from being deemed so disabled under this Plan if the Employee has accumulated at least 5 years of Seniority after separation from service in the armed forces and before such disability occurs.

(D) In any case where the Board is required to make a finding with respect to the permanent total disability or occupational disability of any Employee applying for, or of any Retired Employee during, disability retirement, the Employee (which term in the remainder of this Section shall also be applicable to an Employee retired for disability) shall be required to submit to an examination by a physician who shall have been appointed for the pur-

pose by the Board for a medical opinion whether the Employee is disabled as defined in subsection (B) or subsection (C) above, as applicable and when the Employee's disability commenced. The Employee shall be required to submit to such re-examination as shall be necessary for the Board to determine whether the Employee is permanently and totally or occupationally disabled. The medical opinion of such physician shall decide the question and shall be binding upon the Board which shall thereupon make its finding in to submit to any physical examination requested under this plan shall not be retired or continued on disability retirement.

- (E) An Employee who shall be receiving a disability pension shall be required to submit to a disability examination in the manner set forth in this Article at any time up until he attains age 65 for the purpose of determining his condition whenever such examination is requested by at least three members of the Board, but no more often than semi-annually except during the first year after the date of the first disability pension payment. If the Board shall find in the manner set forth in this Article that the Employee no longer is disabled, as defined in subsection (B) or subsection (C) above, the disability pension shall cease.
- (F) An Employee or Retired Employee will be reimbursed by the Company at \$.267 per kilometer for travel by the most direct route to and from the examiner's office for a medical examination under Section 1 of this Article V when the Plant is more than 65 kilometers one way from the examiner's office. Mileage will be paid from residence of the Employee or Retired Employee to examiner and return.

SECTION 2 REINSTATEMENT FOLLOWING  
DISABILITY RETIREMENT

If the pension of an Employee retired for disability shall cease, and if his seniority is reinstated, he shall be credited with the Credited Service he had at the time his disability pension began and his service with the Company after the date he is re-employed shall be used in computing his Credited Service under Article IX of this Plan,

ARTICLE VI  
DEFERRED VESTED PENSION

SECTION 3 ELIGIBILITY FOR AND AMOUNT OF  
DEFERRED VESTED PENSION

- A. A Vested Employee shall be eligible for a deferred vested pension upon compliance with the terms of Section 2 of this Article which shall be a monthly pension payment equal to the amount that is assigned to the Benefit Class Code that is applicable to him, as of the date the Employee terminates employment with the Company, as provided in Appendix D to this Plan, multiplied by the number of years and fractions of years of Credited Service he had when his seniority ceased. A Vested Employee shall not be eligible for a pension under any other Article of the Plan.
  
- B. The monthly pension payable on the first of the month following age 65 in the case of a Vested Employee qualifying under subsection (A) of this Section 1, shall be the monthly pension amount specified in subsection A,



above provided that a monthly pension which commences before age 65 in accordance with an election made under subsection (B) of Section 2 of this Article shall be reduced 1/2 of 1% for each month the Vested Employee is less than age 65 at the date such pension commences. However, such reduced amount shall not be less than the Actuarial Equivalent of the amount the Vested Employee would be entitled to receive at age 65.

In any event, the reduction referred to above will not be less than .25% for each month by which the commencement of payments precedes the earliest date determined under clauses (i) and (iii) below, as the case may be, calculated as if the Member had continued in employment:

- (i) the date on which the Member attains age 60;
- (ii) the date on which the Member completes 30 years of Credited Service; and
- (iii) the date on which the sum of the Member's age and years of Credited Service is equal to 80 years.

#### SECTION 2 APPLICATION

- A. (1) An application for a deferred vested pension under this Article must be filed as provided for in Section 3 of Article X by each Vested Employee eligible therefore during his lifetime but not earlier than 90 days prior to the date on which such Vested Employee attains age 65, or not earlier than 90 days

prior to the date on which such Vested Employee shall elect to have his benefits commence in accordance with subsection B of this Section.

(2) With respect to deferred vested pension benefits accrued for service, if an eligible Vested Employee fails to apply for his pension until after he has attained age 65, he shall receive, as of the first of the month following receipt by the Company of his application, either:

(i) a retroactive payment equal to the sum of the monthly payments for each month after the month in which he attains age 65 years of age up to and including the month of application; providing that the retroactive payments are made within the calendar year for which they are intended, or

(ii) commencement of his monthly pension benefit, provided such benefit is actuarially increased from his age 65 to the date of application by the Vested Employee.

**B.** A Vested Employee may elect to receive a monthly pension to commence prior to age 65 but not before the first day of the first month after such Vested Employee attains age 60, or, in the case of a Vested Employee who terminated his employment after December 31, 1987, not before the first day of the month after he attains age 55. Upon approval of his application by the Board, his monthly pension payable under this Article shall begin as of the first day of the first month after

- (i) the date selected by the Vested Employee for the commencement of his monthly pension in accordance with subsection (B) of this Section, or
  - (ii) he files his application for such pension, whichever is later, and shall be payable thereafter as of the first of each month during the lifetime of such Vested Employee.
- C. If a Vested Employee has not applied prior to the date he attains age 65, a notice will be sent by the Board to his last known address informing him of his right to apply for a deferred vested pension.
- D. A Vested Employee who, on or after January 1, 1988, Terminates employment and remains entitled to a deferred vested pension pursuant to Section 1 of this Article VI may elect, at their option within 60 days of receiving their statement of termination of plan membership, to have the lump sum Commuted Value of such deferred vested pension transferred to either:
- (i) the registered pension plan of a subsequent employer of the Vested Employee, if such plan so permits
  - (ii) a registered retirement savings plan designated by the Vested Employee, or
  - (iii) an insurance company for the purchase of a life annuity contract.
  - (iv) such other vehicles as may from time to time be permitted under the Income Tax Act (Canada) and

Regulations and an other applicable legislation.

Such transfer shall only be permitted if the administrator of such plan or the insurer, as the case may be, agrees in writing to administer such transfer on a locked-in basis in accordance with the provisions of the Pension Benefits Act, 1987 (Ontario) and any Regulations thereto. Upon such transfer, liability for the deferred vested pension under this Plan shall be discharged with respect thereto.

Notwithstanding the foregoing, this Section shall not apply to a former Employee who is discharged for cause and who has appealed such discharge through the grievance procedures contained in the Collective Bargaining Agreement. The provisions of this subsection shall only become applicable at the point in time when the resolution of such grievance does not result in their employment being reinstated.

SECTION 3 W-EMPLOYMENT OF VESTED  
EMPLOYEES ELIGIBLE FOR OR IN  
RECEIPT OF A DEFERRED VESTED  
PENSION

If a Vested Employee eligible for or receiving a deferred vested pension under this Article shall be re-employed by the Company, and he has not elected to transfer the Commuted Value of such deferred vested pension pursuant to Section 2(D) of this Article VI and the Company has not transferred the Commuted Value of the pension pursuant to Section 3 of Article VIII.

- A. his eligibility for a deferred vested pension or his pension, as the case may be, under this Article shall cease; and

**B.** he shall be entitled:

- (i) to the Credited Service he had at the date his seniority ceased; and
- (ii) to the Credited Service based on his service with the Company after the date he is re-employed.

ARTICLE VII  
SUPPLEMENTARY PENSIONS

SECTION 1 ELIGIBILITY FOR AND AMOUNT OF  
SUPPLEMENTARY PENSION

The monthly supplementary pension payable in the case of an Employee who retires on or after the effective date under the terms of:

- A. Section 1 of Article IV (Normal Retirement).
- B.** Subsection (A.) of Section 2 of Article IV (Regular Early Retirement).
- C. Subsection (B.) of Section 2 of Article IV.
- D. Subsection (C.) of Section 2 of Article IV.
- E. Section 3 of article IV (Automatic Retirement), or
- F.** Section I of Article V (Permanent Total Disability Retirement),

shall be \$18.00 multiplied by the number of years and fractions of years of Credited Service he had at the date of his retirement, subject to a maximum of thirty (30) years provided that such monthly supplementary pension shall be payable to and including the first day of the month following the month in which he attains age 65 and provided also that any monthly supplementary pension payable under this Section 1 in the case of an Employee who retires under the provision referred to in (B) above and (D) shall be reduced in accordance with the reduction table set out in Section 2(A) of Article IV and provided also that any monthly supplementary pension payable under this Section 1 in the case of an Employee who retires under the provision referred to in (D) above (Special Early Retirement) and in (F) above (Permanent Total Disability Retirement) shall be reduced by the Actual Statutory Benefit.

The Supplementary Pension as referred to herein shall be redetermined without any such reduction at age 60 for an employee who retires under the provisions of Subsection 2A.1 .(ii) of Article IV.

Notwithstanding the foregoing an Employee retiring on or after April 1, 1988 with 30 or more years of Credited or Continuous Service, shall have the Supplementary Pension redetermined without any such reduction at age 60.

SECTION 2 APPLICATION OF ESTIMATED  
INSTEAD OF ACTUAL STATUTORY  
BENEFIT

Unless the Retired Employee furnished evidence satisfactory to the Board, of the amount of his Actual Statutory Benefit within 12 months of his first date of eligibility for such Statutory Benefit, then in determining the benefit payable under Section 1 of this Article VII, the amount of his Estimated Statutory Benefit shall be applied in place of such Actual Statutory Benefit effective as of his retirement date.

ARTICLE VIII  
COMMENCEMENT, PAYMENT AND  
CONTINUATION OF PENSIONS

SECTION 1 NORMAL AND EARLY RETIREMENT  
PENSIONS

The pension of an Employee applying for retirement under Article IV shall begin as of the first day of the month following the date on which an eligible Employee in his application for pension elects to retire or following the last day he works, whichever is later, and shall be payable in the month following the date when his application is approved and on the first day of each month thereafter during his lifetime, subject however, to Section 5 of Article IV. In no case, shall such pension commence until the first day of the month following the ceasing of any sickness and accident benefits toward which the Company has contributed to the payment of premiums, including any Extended Disability Benefits provided under the insurance program of the Company.

SECTION 2 PERMANENT TOTAL DISABILITY  
PENSIONS

The pension of any Employee applying for a permanent total disability retirement pension under Article V shall begin as of the first day of the first month after the following conditions have been complied with:

1. the Retiring Employee shall have filed an application for such pension with the Board, and
2. after his sickness and accident benefits and his extended disability benefits have ceased, and
3. after the date his permanent and total disability has commenced, such date to be determined in the manner set forth in Article V.

Such pension shall be payable to him if he then shall be living, on the first day of the month following the date his application is approved, and on the first day of the month thereafter during his lifetime, subject however, to Articles IV and V.

SECTION 3 PAYMENT OF SMALL PENSIONS

If the amount of the annual pension, calculated at the earliest of termination of employment, pension commencement, termination of the Plan, or death of the Employee, and payable at age 65 is less than 2 per cent of the Y.M.P.E. in the year that the former Employee terminated employment or such other amount as may be commuted in accordance with the Pension Benefits Act, 1987 (Ontario) and its Regulations, the Board may direct the payment of the lump sum Actuarial Equivalent



of the pension in lieu of any other payments.

#### SECTION 4 NON-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 of the pension under any Section of this Plan nor of the Credited Service, Continuous Service, or pension under any Article of this plan and the Credited Service, Continuous Service or pension under any other pension plan for other employees of the Company. Where in any year beginning January 1 and ending December 31 in the same year an Employee acquires a total of one year's Credited Service under this Plan and any other pension plan of the Company before the end of the year, any subsequent service during such year shall not be included in Credited Service under this Plan.

#### SECTION 5 DEDUCTION OF WORKERS' COMPENSATION PAYMENTS

In determining the monthly benefits payable under Article VII, a deduction shall be made equivalent to the amount of any temporary total benefit or Future Economic Loss award and supplement payable to the Employee under any Workers' Compensation legislation.

ARTICLE IX  
CREDITED SERVICE

SECTION 1

- (a) Credited Service on and after April 1, 1974 shall be determined on the basis of one year for every year beginning on January 1 in any year and ending December 31 in the same year (below called a calendar year) in which an Employee receives pay from the Company for working 1,700 or more hours. For a calendar year in which he receives pay for working less than 1,700 hours, Credited Service shall include one month for each 142 hours of work for which he receives pay from the Company and the remaining hours, if exceeding 71, shall count as one month. Each hour in any year shall count only once although he may receive more than straight time pay for it.
- (b) Credited Service before April 1, 1974 shall be determined on the basis of one year for every calendar year in which an Employee worked for 1,400 hours or more, with proportionate credit being granted to the nearest one-tenth of a year, for any calendar year in which the Employee worked for less than 1,400 hours.
- (c) For the purpose of subsection (a) pay includes straight time for paid holidays.
- (d) For the purpose of subsection (a) pay includes time for the period of his regularly scheduled vacation as well as periods of absence for which he received pay under the paid absence allowance plan pursuant to the Collective Agreement.

(e) For the purposes of subsection (a) an Employee shall be credited for hours spent:

(1) on or after April 1, 1974 on approved leave of absence for Local 1451 Union business and

(2) on or after January 1, 1980 on approved leave of absence as officials of the National Union, hours so spent shall be credited on the same basis as hours worked for the Company, as evidenced by compensation paid by the Local Union, or by the National, but not more than 40 hours in any week and for only such hours as the Employee would otherwise have been scheduled to work by the Company.

(f) For the purposes of subsection (a) an Employee, upon return to employment by the Company, shall be credited for hours lost on or after January 1, 1980 during which he receives benefits under any Workers' Compensation Act, and during which he would otherwise have been scheduled by the Company to work, but at a rate of not more than 40 hours per week.

Employees who commence Workers' Compensation benefits on or after April 25, 1994, do not have to return to employment to be given credited service.

Notwithstanding anything above, the maximum period while receiving Workers' Compensation for which an employee shall receive pension service credit shall not exceed a period equal to the greater of five years or his seniority at the time he last worked for the Company.

- (g) For the purposes of subsection (a), an Employee granted a "Short-Term Military Leave" on or after January 1, 1980 and who does so serve in the "Militia" or "Reserve", upon return to employment by the Company, shall be credited for the number of hours while in service, not to exceed 40 hours per week.
- (h) For the purpose of subsection (a) an Employee who is absent from work due to layoff or approved sick leave on or after April 1, 1974 and who accrues in any complete calendar year thereafter less than 1,700 hours of Credited Service in such calendar year, may (in addition to any other hours that may be counted) count 40 hours for each complete calendar week of such absence in such calendar year in the same manner as though he had received pay for working such hours; provided, however, that he may count such hours only if he shall have received pay from the Company for working at least 170 hours in such calendar year; and provided further, that if such layoff or leave commences in 1974 or any calendar year thereafter and continues in the calendar year after the year in which it commenced the Employee (including an Employee who receives pay from the Company for working 1,700 or more hours in 1974 or any calendar year thereafter if he is absent from work due to layoff or approved sick leave at the end of any such calendar year may count 40 hours for each complete calendar week of absence from work due to layoff or such approved leave in one calendar year immediately following such commencing year, not to exceed 1,530 hours that he may count for all such absence related to receipt of such pay from the Company in such calendar year. On or after December 31, 1979 an Employee who returns to work from layoff or Company

approved sick leave and receives pay for less than 170 hours and who thereafter returns to layoff or Company approved sick leave shall not be disqualified from receiving the Credited Service to which he would otherwise be entitled under this Section 1(h). For purposes of this Section 1(h) only, an Employee who is laid off subsequent to January 1, 1980, and whose first day of layoff is the first regularly scheduled work day in the January next following his last day worked shall be deemed to have been laid off on December 31 of the year in which he last worked.

Effective April 25, 1994, an Employee who:

- (i) is at work;
- (ii) has 10 or more years of Seniority at time of layoff;
- (iii) while on such layoff has received the maximum of 1530 hours of credit for periods of absence due to layoff or approved sick leave in accordance with this paragraph; and
- (iv) continues thereafter to be absent due to such layoff, shall be credited with a further 40 hours for each complete calendar week of absence due to such layoff up to a maximum of 1700 hours of credit.

In no event shall the provisions of the subsection result in a duplication of Credited Service under any other provisions of this Article.

- (i) Credited Service shall include service up to but not beyond the end of the month in which automatic retirement age is reached.
- (j) Each Employee shall receive an annual statement of his Credited Service as at December 31st of the last completed calendar year. Notwithstanding such statement, for the purposes of determining Credited Service, the records of the Company shall govern.
- (k) For the purposes of subsection (a) an Employee shall be credited for absence on or after December 20, 1990 due to maternity or paternity leave as defined in the Ontario Employment Standards Act, at the rate of 40 hours for each complete calendar week of such absence. In no event shall such an Employee be credited with more than 1,700 hours for any calendar year and there shall be no duplication of Credited Service by virtue of this subsection.

## SECTION 2 GENERAL

- A. An Employee who is not a Vested Employee and who does not have seniority shall lose his Credited Service upon the happening of any of the events which would cause an Employee with seniority to cease having seniority under the Collective Bargaining Agreement.
- B. If, after the effective date, an Employee who is not a Vested Employee and who has seniority loses his seniority under the Collective Bargaining Agreement and he thereby loses his Credited Service and then is later re-employed by the Company and subsequently acquires a

seniority date, he shall upon making written application, have his Credited Service reinstated.

### SECTION 3 LIMITATION ON CREDITED SERVICE

Notwithstanding anything to the contrary contained in this Article IX, the total periods of Credited Service after December 31, 1991 during which the Employee is not receiving remuneration from the Company, excluding those periods during which the Employee suffers a physical or mental impairment, as certified in writing by a qualified medical doctor, that prevents the Employee from performing the duties of employment in which the Employee was engaged before the commencement of the impairment, shall not exceed the sum of:

- (a) five years;
- (b) the total periods of leaves of absence pursuant to subsection 1(e) of this Article IX during which the Employee qualifies as a "loaned employee" under the Income Tax Act (Canada) and Regulations; and
- (c) the periods of parenting , as defined in the Income Tax Act (Canada) and Regulations, subject to a maximum of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.

ARTICLE X  
MISCELLANEOUS

SECTION 1 RECORDS

The records of the Company concerning an Employee, Retired Employee, or Vested Employee, shall be presumed to be conclusive unless shown beyond a reasonable doubt to be incorrect.

SECTION 2 PROOF OF AGE

The age of an Employee or Vested Employee shall be proved by official birth certificate, issued by proper public authority in the area in which he claims to have been born. If such person does not produce a birth certificate, he must produce evidence of age satisfactory to the Board in its reasonable discretion.

SECTION 3 APPLICATION FOR PENSION

An Employee or a Vested Employee entitled to a deferred vested pension under Article VI who is eligible and wishes to apply for a pension under this Plan must make an application in writing. In the case of an Employee retiring under the provisions of Section 1 or 2 of Article IV, such application must be made at least 90 days prior to the date of his retirement. Application forms may be obtained from, and filed with, the Personnel Department. The applicant shall furnish the information the Board shall request, including without limiting the generality of the above, his age, the date from which he claims Credited Service (unless previously the date shall have been determined), the date following the date of filing his applica-



tion as of which he wished to retire, the name and addresses of his Spouse, children or other dependents, and of other persons, if any, to communicate with about him, and other pertinent facts, together with documentary evidence in support of same, satisfactory to the Board, and any authority in writing that the Board may request, authorizing it to obtain pertinent information or records, certificates or transcripts from any public office. The Personnel Department shall transmit the application to the Board.

#### SECTION 4 EFFECT ON EMPLOYMENT RIGHTS

Nothing in this Plan shall give any person the right to be retained in the employ of the Company and nothing in this Plan shall be construed as a guarantee of employment or continued employment and nothing in this Plan shall affect any rights or agreements spelled out in the Collective Agreement.

#### SECTION 5 ELIGIBILITY

An Employee shall not be eligible for a pension under this Plan except as set forth in Articles IV, V and VII and not until he ceases to be an Employee. An Employee shall be deemed to retire as of the day prior to the first of the month for which his first monthly pension benefit is payable, and all references to retirement in the Plan shall be construed with reference to such date, as distinct from the date of cessation of work.

#### SECTION 6 QUESTIONS OF FACT

If any question shall arise concerning an Employee, Retired Employee or Vested Employee about his age, the date of the beginning of his Credited Service, the amount of his Credited

Service and Continuous Service, and the amount of a pension, if any, to which he claims to be entitled, the Employee, the Retired Employee or the Vested Employee shall prepare a written statement which he shall sign in duplicate of all facts and circumstances concerning the matters and the Board shall send one copy to the Treasurer of the Company or his designated representative, or such other person as the Company shall designate, who shall write a complete statement of the case and send it in duplicate to the Boards. Questions concerning Spouses under Section 6 of Article IV shall be handled pursuant to this Section.

#### SECTION 7 CONSTRUCTION

This Plan shall be construed, governed and administered in accordance with the laws of the Province of Ontario. Masculine gender shall include the feminine, and vice-versa and the singular shall include the plural, as the case may require, throughout this Plan.

#### SECTION 8 ESTABLISHING AND CONTINUATION OF THE PLAN

The establishing and continuation of this Plan, and the introduction of any changes to the Plan, are subject to the Company obtaining and continuing to hold all necessary provincial and federal government approvals and registrations, including the approval of such relevant tax authorities as is necessary to establish that the Company is entitled to deduct the amount of any payments it makes with respect to this Plan as an expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws now or hereafter in effect, or hereafter amended or adopted.

## SECTION 9 NON ASSIGNMENT

The purpose of the pension being to provide maintenance for Retired Employees and their surviving Spouses, no **assignment**, alienation, surrender, anticipation, charge, attachment, or garnishment, or other legal process against any **pension** or part of it will be **recognized** or permitted. Further, no pension or part of it may be assigned, charged, **anticipated**, alienated, surrendered, or given as security.

Furthermore, no pension or part of it may be charged, anticipated or given as security.

The above does not apply where assignment is:

- I. pursuant to a decree, order or judgement of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between an Employee, former Employee or a Retired Employee and such Employee's former Employee's or Retired Employee's spouse or former spouse; or
- II. by the legal representative of a deceased Employee, former Employee or Retired Employee on the distribution of such Employee's former Employee's or Retired Employee's estate.

Notwithstanding the first paragraph of this Section 9, a Retired Employee or former Employee entitled to receive a basic pension, supplementary pension or special allowance may authorize in writing that any outstanding overpayment received under any provision of this Plan be repaid to the Plan

by reducing or withholding future monthly payments until such overpayment is recovered.

## SECTION 10 INSPECTION OF DOCUMENTS

The Board shall permit an Employee, or such other person as is required to be permitted under the Pension Benefits Act, 1987 (Ontario) and any Regulations thereto, to inspect or make extracts from the Plan text and any other documents required to be made available under the Pension Benefits Act, 1987 (Ontario) and any Regulations thereto, at such time and places as may be required under applicable laws.

## ARTICLE XI BOARD OF ADMINISTRATION

### SECTION 1 BOARD OF ADMINISTRATION

- A. There shall be established a Board of Administration consisting of six members, three of whom shall be appointed by the Company (hereinafter referred to as the Company Members) and (3) of whom shall be appointed by the Union (hereinafter referred to as the Union Members). The Company Members and the Union Members shall serve without compensation. Each member of the Board may have an alternate. In the event a member is absent from a meeting of the Board, an alternate may attend and when in attendance shall exercise the duties of the member. Either the Company or the Union at any time may remove a member or alternate appointed by it and may appoint a person to fill any vacancy among the members or alternates appointed to it.

Both the Company and the Union shall notify the other in writing of the members or alternates that they appoint before the appointment shall be effective.

- B. In the event that the Company Members and the Union Members of the Board fail to resolve the matter before them, then the Company Members and the Union Members of the Board shall appoint an impartial Chairman who shall serve until such time as he may be requested to resign by three members of the Board. In the event that the Company Members and the Union Members of the Board are unable to agree upon an impartial Chairman, then the impartial Chairman shall be appointed by the Labour/Management Arbitration Commission for the Province of Ontario. The impartial Chairman shall be considered a member of the Board and shall cast the deciding vote on matters then before him. The Company and the Union shall share equally the fees and expenses of the impartial Chairman in cases involving Employees and Vested Employees. The fees and expenses of the impartial Chairman in cases involving Retired Employees shall be paid out of the Pension Fund.

## SECTION 2 POWERS OF THE BOARD

The Board shall have the following powers:

- (a) To carry out the obligations and procedures set forth in this Plan to be followed in the filing of applications for benefits and for furnishing and verifying proofs necessary to establish age and Credited Service and Continuous Service in accordance with the rules of eligi-

bility for benefits under this Plan.

- (b) To find facts and determine the rights of any Employee, or Vested Employee applying for retirement benefits and to afford any applicant or the Company, if dissatisfied with any finding of fact or determination, the right to a hearing.
- (c) To find facts and determine the rights of any Spouse of any Employee, Retired Employee or Vested Employee under Section 6 of Article IV and to afford any Spouse or the Company, if dissatisfied with any finding of fact or determination, the right to a hearing.
- (d) To apply the procedure set forth in this Plan for establishing and verifying Credited Service and Continuous Service of an Employee or Vested Employee and, after affording him and the Company an opportunity to object, to determine the Credited Service and Continuous Service of the Employee or Vested Employee.
- (e) To make arrangements for authorizing the Trustee to pay from the Pension Fund, pensions to Retired Employees and Vested Employees and surviving spouses entitled to them, and to authorize paying them. The Trustee is authorized to deduct and shall deduct from the amount of any pensions payable to individuals entitled to pensions under this Plan, any amount required to be withheld by the Trustee by reason of any law or regulation for payment of taxes or otherwise to any federal, provincial or municipal government.
- (f) If the Board shall be advised that any Retired Employee or Vested Employee to whom a pension is payable from

the Pension Fund is unable to care for his affairs because of mental incompetency, then any payment due him may be made to a duly appointed committee or other legal representative. Any such payment shall be complete discharge of any liability under this plan.

- (g) To prepare and distribute in such manner as the Board determines to be appropriate, information explaining the Plan; provided, however, that the Board shall furnish to each Employee a written explanation of the terms and conditions of the Plan, together with an explanation of the rights and duties of an Employee with reference to the benefits available under the terms of the Plan and shall provide Employees with any other information and documents required to be disclosed pursuant to the Pension Benefits Act, 1987 (Ontario).
- (h) To receive copies of all actuarial valuations of the Plan and copies of annual reports of the trustees on receipts, assets and disbursements of the Fund.

### SECTION 3 NO MODIFICATION OF PLAN, ETC.

The Board shall have no power to add to or subtract from or to modify any of the terms of this Plan, to change or add to any pension provided by this plan, nor to waive or fail to apply any requirement of eligibility for a benefit under this Plan. In addition, the Board shall have no power to determine questions arising under the Collective Agreement, even though relevant to the issues before the Board, All such questions shall be determined through the regular procedures therefore provided by the Collective Agreement and all determinations made pursuant to such Agreement shall be accepted by the Board.

#### SECTION 4 MEETINGS

To constitute a quorum for transacting business, there shall be required to be present at any meeting of the Board at least two (2) Union Members and two (2) Company Members. At all meetings of the Board, the Company members shall have a total of three (3) votes and the Union Members shall have a total of three (3) votes; the votes of any absent member being divided equally between the members present, appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.

#### SECTION 5 LIABILITY

The Board and any member of the Board shall be entitled to rely upon the correctness of any information furnished by the Qualified Actuary or the Company. Neither the Board nor any of its members or alternates nor any officer or other representative of the Union, nor the Company nor any officer or other representative of the Company shall be liable because of any act or failure to act on the part of the Board or any of its members or any person, except that nothing herein shall be deemed to relieve any such individual from liability for his own fraud or bad faith.

#### SECTION 6 RULING

- (a) No ruling of the Board in one case shall create a basis for retroactive adjustment in any other case.
- (b) There shall be no appeal from any ruling within the authority of the Board. Each ruling shall be final and binding on the Union and its members, the individuals



involved, and on the Company.

- (c) Any case referred to the Board on which it has no power to rule, shall be referred back to the parties without ruling.

## ARTICLE XII LIMITATION OF PAYMENTS

### SECTION 1

No benefit payments pursuant to this Plan should be made otherwise than out of the Pension Fund. All expenses incurred in the administration and continued operation of the Plan may be paid from the Pension Fund. However, if paid by the Company or the Union, the Company or the Union may seek reimbursement from the Pension Fund.

### SECTION 2 NO LIABILITY

The pension benefits of the Plan shall be only such as can be provided by the assets of the Pension Fund and there shall be no liability or obligation on the part of the Company to make any further contribution to the Trustee in event of termination of the Plan, except as may be required by applicable legislation. The Company, its officers, directors or shareholders shall not be liable for the payment of pension benefits under the Plan.

ARTICLE XIII  
DISCONTINUANCE OF PLAN

SECTION 1 DISPOSITION OF THE PENSION FUND

- (a) In the event of discontinuance of this Plan, the assets then remaining in the Pension Fund, after providing the expenses of administering and liquidating the Plan and the Pension Fund, shall be allocated, subject to the provisions of any applicable legislation, to the extent that they shall be sufficient, for the purpose of paying pensions, based on Credited Service to the date of discontinuance of the Plan, in the following order of precedence, subject to the provisions of subsection (b) below:
- (1) to provide their pensions, to Retired Employees, Vested Employees and Employees who have commenced to receive pensions or who have made an application, which is subsequently approved, for a pension under the Plan prior to its discontinuance, and to surviving Spouses of such Employees now entitled or who may become entitled to a pension under Section 6 of Article IV, without reference to the order of retirement.
  - (2) to provide pensions upon retirement under the terms of this Plan, as if it were in effect, to Employees age 65 or over on the date of continuance of this Plan, without reference to the order in which they shall have reached age 65;
  - (3) to provide pensions upon retirement at or after age 65 under the terms of this Plan as if it were in effect,

to Employees eligible to retire under subsection A. of Section 2 of Article IV on the date of discontinuance, without reference to the order in which they shall reach age 65;

(4) to provide pensions upon retirement at or after age 65 under the terms of this plan, as if it were in effect, to other Employees age 50 or over on the date of discontinuance, without reference to the order in which they shall reach age 65;

(5) to provide pensions upon retirement at or after age 65 under the terms of this Plan, as if it were in effect, to Employees below the age of 50 on the date of discontinuance, without reference to the order in which they shall reach age 65.

(b) Within each of the groups referred to in paragraphs (2),(4) and (5) of subsection (a) above, shall be included such Vested Employees who would be eligible for a deferred pension upon making due application therefore in accordance with the provisions of Section 2 of Article VI of the Plan as (i) make written inquiries regarding their interests within one year subsequent to the date of termination of the Plan, or (ii) respond within one year after the date of mailing of a registered letter which the Company or Trustee shall direct to the last known address, on the records of the Company, of each such Vested Employee. Vested Employees included in any group as provided for above shall rank after employees in such group in order of precedence, it being understood that with respect to such Vested Employees assets shall be allocated to provide deferred pensions rather than NOR-

mal retirement pensions.

- (c) Such allocation, shall be accomplished at the election of the Board through either:
  - (1) continuance of the Pension Fund or a new trust fund, or
  - (2) in such equitable manner and form as the Board, with the advice of the Qualified Actuary, shall determine provided, however, that no change shall be effected in the basis for allocation above established.
- (d) Notwithstanding anything herein contained in this Section 1 of Article XIII to the contrary, discontinuance of the Plan shall be in accordance with any applicable Federal legislation and/or Acts of any of the Provinces of Canada which are applicable to this Plan. Furthermore, in no event will the value of any amounts distributed to any Employee, Retired Employee or Vested Employee exceed the value of the maximum pension permitted under paragraph 9(g) of Information Circular 72-13R8, as amended from time to time, issued by Revenue Canada; provided further that if this should result in surplus funds remaining in the Fund, such surplus funds will revert to the Company.

#### APPENDIX A

A Benefit Class Code for the sole purpose of Articles IV, V, VI and VII of the Plan is established for each job classification on

the basis of the maximum base hourly rate applicable to that job classification as set out below. The Benefit Class Code applicable to an Employee or Vested Employee is the Benefit Class Code for the job classification held by the Employee or Vested Employee for the greatest number of calendar days during the 24 consecutive months immediately preceding his last day worked.

The Benefit Class Code established pursuant to this Plan for each job classification shall continue in effect without change throughout the term of this plan, it being understood that the Benefit Class Code to be established for any new job classification shall be whichever Benefit Class Code is applicable to other job classifications having the same maximum base hourly rate on the date that such new job classification is put into effect, and further, that with respect to a job classification that is obsolete on the date as of which an employee or Vested Employee retires or loses his seniority, a hypothetical base hourly rate applicable thereto shall be determined by increasing the base hourly rate for that job classification at the time of its discontinuance to the extent necessary so as to give effect to general wage increases (including cost-of-living allowance transfers) that have and will occur after such discontinuance, and the Benefit Class Code for such classification so derived shall be whichever Benefit Class Code herein is applicable to other job classifications having the same maximum base hourly rate on that date.

The Benefit Class Codes as referred to in Articles IV, V, VI and VII of this Plan shall be, for the term of this Plan, as follows:

For Job Classification Having a Maximum Base Hourly Rate of;	Benefit Class Code
\$4.50 or less	A
\$4.50 through \$4.70	B
\$4.70 and over	C*

\*All Employees who are paid on an incentive basis shall be assigned to Benefit Class Code C.

#### APPENDIX B PENSIONER COST-OF-LIVING ALLOWANCE ADJUSTMENTS

The Monthly Basic Pension Rates shown in Appendix C for the purposes of determining benefit amounts under Article IV and Article V and the Total Monthly Benefit Rate for determining special allowances under Section 10 of Article IV shall be increased with respect to a Covered Retiree in accordance with the PCOLA Adjustment described below on each Adjustment Date.

For the purposes of this Appendix, the following definitions apply:

- Covered Retiree means a 1988 Covered Retiree or a 1994 Covered Retiree as applicable.
- 1988 Covered Retiree means a Retired Employee who retires under the provisions of Articles IV or V on or after April 1, 1988 and before April 1, 1994 or the eligible surviving spouse of a Deceased Employee who dies during that period.

- 1994 Covered Retiree means a Retired Employee who retires under the provisions of Articles IV or V on or after April 1, 2000 and before April 1, 2006 or the eligible surviving Spouse of a Deceased Employee who dies during that period.
- Adjustment Dates means the later of April 1, 2000 and April 1 following the Covered Retiree's date of retirement or death, and each subsequent April 1, up to and including April 1, 2005.

#### **PCOLA ADJUSTMENT**

At each Adjustment Date, the Monthly Basic Pension Rate and, where applicable, the Maximum Monthly Benefit Amount (hereinafter called "Covered Pension Rates"), with respect to a Covered Retiree, shall be increased by PCOLA Adjustment. PCOLA Adjustment with respect to each Covered Pension Rate shall be calculated as the product of (a) and (b) where:

- (a) is the weighted average of the Covered Pension Rate (inclusive of the prior PCOLA Adjustments) for all the 1988 Covered Retirees with respect to a 1988 Covered Retiree or all the 1994 Covered Retirees with respect to a 1994 Covered Retiree, as applicable, immediately prior to the Adjustment Date;
- (b) is the Rate of Increase.

The Rate of Increase, at an Adjustment Date, shall equal 90% of the annual change in the Consumer Price Index published by Statistics Canada (1986=100) as of the pre-

ceding January. The annual change shall be determined by dividing the 12 month average of the Consumer Price Index as of such preceding January by the similar average as of January in the previous year and then deducting 1.0.



APPENDIX C **PRE 1988** RETIREES

**Monthly Basic Pension Rates Payable for the Months Commencing**

Date of Retirement	Benefit Class Code	4/1/94 through 3/31/95	4/1/95 through 3/31/96	4/1/96 through 3/31/97	4/1/97 through 3/31/98	4/1/98 through 3/31/99	4/1/99 through 3/31/00	4/1/00 and after
Prior to Apr. 1/80	A	\$24.20	\$25.00	\$25.85	\$26.80	\$27.85	\$29.05	<b>35.34</b>
	B	24.45	25.25	26.10	27.05	28.10	29.30	<b>35.59</b>
	C	24.70	25.50	26.35	27.30	28.35	29.55	<b>35.84</b>
On or after Apr. 1/80 but prior to Apr. 1/85	A	\$25.40	\$26.65	\$27.95	\$29.35	\$30.90	\$32.60	<b>35.34</b>
	B	25.65	26.90	28.20	29.60	31.15	32.85	<b>35.59</b>
	C	25.90	27.15	28.45	29.85	31.40	33.10	<b>35.84</b>
On or after Apr. 1/85 but prior to Apr. 1/88	A	\$27.75	\$28.55	\$29.40	\$30.35	\$31.40	\$32.60	<b>35.34</b>
	B	28.00	28.80	29.65	30.60	31.65	32.85	<b>35.59</b>
	C	28.25	29.05	29.90	30.85	31.90	33.10	<b>35.84</b>

The Basic Retirement Pension for an employee who retires between **April 1, 2000 and the expiration of the Collective Agreement** in the year **2006**, is the following amount per month for each year of credited service:

Date of Retirement	Benefit Class Code	
April <b>1, 2000</b> through March <b>31, 2001</b>	A	<b>\$52.00</b>
	B	<b>52.25</b>
	C	<b>52.50</b>
April <b>1, 2001</b> through March <b>31, 2002</b>	A	<b>53.00</b>
	B	<b>53.25</b>
	C	<b>53.50</b>
April <b>1, 2002</b> through March <b>31, 2003</b>	A	<b>54.00</b>
	B	<b>54.25</b>
	C	<b>54.50</b>
April <b>1, 2003</b> through March <b>31, 2004</b>	A	<b>55.00</b>
	B	<b>55.25</b>
	C	<b>55.50</b>
April <b>1, 2004</b> through March <b>31, 2005</b>	A	<b>56.00</b>
	B	<b>56.25</b>
	C	<b>56.50</b>
On or after April <b>1, 2005</b>	A	<b>57.00</b>
	B	<b>57.25</b>
	C	<b>57.50</b>

These benefit rates are subject to the Pension COLA adjustment provisions contained in Appendix 'B'.

APPENDIX D

The benefits rates for monthly benefits payable to former employees who shall incur a break in seniority on or after April 1, 1976, with eligibility for a deferred vested pension benefit under Article VI. shall be as follows:

Date of Break in Seniority	Benefit	For	Class
	Rate A	Benefit B	Code C
Prior to March 31, 1976	\$ 5.50	5.75	6.00
April 1/76 to April 17/77	7.25	7.50	7.75
April 18/77 to Mar.31/79	9.75	10.00	10.25
April 1/79 to Mar.31/80	10.75	11.00	11.25
April 1/80 to Mar.31/81	11.35	11.60	11.85
April 1/81 to Mar.31/82	12.20	12.45	12.70
April 1/82 to Sept 30/82	13.05	13.30	13.55
Oct. 1/82 to Mar.31/83	13.80	14.05	14.30
April 1/83 to Mar.31/85	18.20	18.45	18.70
April 1/85 to Sept 30/85	19.20	19.45	19.70
Oct. 1/85 to Mar.31/86	19.75	20.00	20.25

April 1/86 to Sept 30/86	20.30	20.55	20.80
Oct.1/86 to Mar.31/87	20.90	21.15	21.40
April 1/87 to Sept 30/87	21.45	21.70	21.95
Oct. 1/87 to March 31/88	22.05	22.30	22.55
April 1/88 to March 31/89	28.00	28.25	28.50
April 1/89 to March 31/90	29.50	29.75	30.00
April 1/90 to March 31/91	31.00	31.25	31.50
April 1/91 to March 31/92	32.50	32.75	33.00
April 1/92 to March 31/93	34.00	34.25	34.50
April 1/93 to March 31/94	36.00	36.25	36.50
April 1/94 to March 31/95	37.75	38.00	38.25
April 1/95 to March 31/96	39.50	39.75	40.00
April 1/96 to March 31/97	41.25	41.50	41.75
April 1/97 to March 31/98	43.00	43.25	43.50
April 1/98 to March 31/99	44.75	45.00	45.25
<b>Apr.1/99 - Mar.31/00</b>	<b>46.50</b>	<b>46.75</b>	<b>47.00</b>
<b>Apr.1/00 to Mar.31/01</b>	<b>52.00</b>	<b>52.25</b>	<b>52.50</b>

<b>Apr.1/01 to Mar.31/02</b>	<b>53.00</b>	<b>53.25</b>	<b>53.50</b>
<b>Apr.1/02 to Mar.31/03</b>	<b>54.00</b>	<b>54.25</b>	<b>54.50</b>
<b>Apr.1/03 to Mar.31/04</b>	<b>55.00</b>	<b>55.25</b>	<b>55.50</b>
<b>Apr.1/04 to Mar.31/05</b>	<b>56.00</b>	<b>56.25</b>	<b>56.50</b>
<b>On or after Apr.1/05</b>	<b>57.00</b>	<b>57.25</b>	<b>57.50</b>

The benefit rate applicable to a retired employee or former employee who shall incur a break in seniority and is entitled to a deferred vested pension benefit shall be determined by the benefit class code for the job classification held by him immediately preceding his last day worked.

#### APPENDIX E

#### STANDARDS FOR APPLICATION OF PROVISIONS REGARDING RETIREMENT AT THE OPTION OF THE COMPANY OR UNDER MUTUALLY SATISFACTORY CONDITIONS IN ACCORDANCE WITH SECTION 2(C.) OF ARTICLE IV

The application of the special early retirement provision referred to above will be exercised at the sole discretion of the Company.

It is understood that this provision may apply in those situations where a loss of jobs occurs due to New Technology. New Technology refers to existing jobs or new jobs that have

been in the plant for at least one year. New work or customer engineering changes are not qualified as new technology. New technology is further defined as automation and robotic applications, technical processes that eliminate manual operations, or the operations done by other machines that lead to a loss in jobs.

Special Early Retirement is designed to benefit both the Company and the Employee particularly in those instances when the Company might be reluctant, due to circumstances being beyond the control of the Employee, to apply this type of retirement without the advantage of the higher pension benefits that the Special Early Retirement Pension provides. This pension provides benefits of an unreduced Basic Pension for each year of Credited Service and an unreduced Supplementary Pension as determined under the terms of the Plan.

Article IV, Section 2(c) of the Budd Canada Inc. Hourly Rated Employees Pension Plan provides that an Employee may be retired early at the sole option of the Company or under mutually satisfactory conditions providing the employee is otherwise eligible. In either case, the following standards will be adopted by the Company as a guide in the application of these provisions.

- (a) The utilization by the Company of this type of retirement for an eligible Employee between ages 55 and 65 with at least 10 years of Credited Service may be given consideration in any of the following situations:
  - (1) In the event of a permanent plant shutdown.

- (2) In the event of a layoff which appears to be permanent.
- (3) In the event an Employee is physically or mentally unable to perform his work in a satisfactory manner due to permanent partial disability which results in:
  - (i) Excessive absenteeism.
  - ii) Decreased productivity.
  - (iii) Frequent sickness and accident payments.
- (4) In the event of an extended period of disability, as provided in (b) below.
- (b) An employee not actively at work because of an extended period of disability may be considered by the Company for Special Early Retirement either:
  - (i) following the cessation of sickness and accident benefits
  - (ii) during the period he is receiving extended disability benefits
  - (iii) following the cessation of extended disability benefits. or
  - (iv) at the time he is being considered for return to work.

A determination will be made by the Company at the time his application is being considered based on medical evi-

dence satisfactory to the Company, as to whether or not the Employee will again be employable by the Company.

If at that time the disability still exists and it appears that such disability will be continuous until the Employee's normal retirement age and the probability of his being reinstated prior to his normal retirement age is remote because of such disability, the Employee may be considered for Special Early Retirement.

If at that time the disability still exists, and it appears that such disability will be permanent and total, the Employee may be eligible for a permanent total disability pension in accordance with Article V of the Plan.

If the Employee's condition, based on medical evidence satisfactory to the Company, is such that, although able to perform the duties of his job satisfactorily, he would thereby be jeopardizing his health or that of fellow Employees, and it is expected that this condition will be continuous until his normal retirement age, such Employee may be considered for Special Early Retirement.

- (c) Retirement at the option of the Company under mutually satisfactory conditions will be available to an Employee who is laid off at age 50 or older with 15 years of credited or continuous service:
  - (1) as a result of a plant closing or discontinuance of operations, or
  - (2) whose layoff appears to be permanent.



- (d) In making a determination as to whether or not Special Early Retirement is to be extended to an Employee, care will be exercised that all of the basic facts have been considered.

If the request for Special Early Retirement is initiated by the Employee, he will make written application on a form provided by the Company.

If the necessary approvals are obtained, the retirement will be automatically coded under "mutually satisfactory conditions."

If the necessary approvals are not obtained, the Employee will be advised in writing that his request has been denied and will be given the reason for the denial,(e.g. insufficient medical evidence.) A copy of the denial will be forwarded to the Board of Administration.

- (e) Should an otherwise eligible Employee upon notification of a job loss choose to exercise his layoff options under the provisions of the Collective Agreement thereby becoming eligible for statutory severance and/or unemployment benefits and/or Company provided unemployment benefits, no application will be accepted by the Company.

Should an otherwise eligible employee upon notification of a job loss choose to exercise his options under the Pension Plan, he shall be considered a retiree of the Company and not be permitted to sever his employment with the Company and thereby collect any statutory or Company severance and/or unemployment benefits.

Statutory severance benefits include any payment under Bill 85.

Further, no employee shall be permitted to apply for pension benefits under this Plan while in receipt of any:

- (i) Company provided disability benefits or
- (ii) Workers' Compensation Benefit (except pension disability benefits) or
- (iii) Statutory disability benefits.

LETTERS

Mr. Michael King, Plant Chairperson  
C.A.W. Local 1451, 600 Wabanaki Drive  
KITCHENER, Ontario N2C 2K4

Dear Mr. King:

This will confirm our understanding reached between the parties during the current negotiations that for a retiree receiving Pension-COLA payments, the total pension payment received during any month, including the Pension-COLA payment, shall not exceed, for a retiree with 30 years or more of credited service whose age in the month is less than 60 years, the Total Monthly Benefit rate applicable to an active employee in the same month; and, for any other retiree, the retiree's years of credited service multiplied by the Base Rate applicable to an active employee in the same month times the applicable factor appropriate to the retiree plus any pre-65 Supplementary Pension being received by the retiree. Commensurate adjustments will be made to reflect the reduced level of surviving spouse benefits and for the surviving spouse option reduction.

In addition, if as a result of any current or future legislation, regulation, or other government action, private pension plan benefits are increased to provide inflation protection (e.g. pension indexation) for benefits accrued during any years of service, such increases shall be offset against any scheduled post-retirement benefit increases for the same years of service, including Pension-COLA payments.

Yours truly,

A.D. Collins, Benefits & Employment Manager

Mr. Michael King, Plant Chairperson  
C.A.W. Local 1451  
600 Wabanaki Drive  
KITCHENER, Ontario  
N2C 2K4

Dear Mr. King:

It is understood that there will be no reduction in any monthly supplementary pension due to the receipt or eligibility for an early retirement pension under the Canada Pension Plan and/or the Quebec Pension Plan.

Yours truly,

A.D. Collins  
Benefits & Employment Manager

Mr. Michael King, Plant Chairperson  
C.A.W. Local 1451  
600 Wabanaki Drive  
KITCHENER, Ontario  
N2C 2K4

Dear Mr. King: EMPLOYEES RETIRING BETWEEN  
JANUARY 31 AND MARCH 31, 2000

This letter serves to confirm the Company's position with regard to Employees who retire from the Company between January **31, 2000** and March **31, 2000**.

Any Employee retiring during this period, will have a pension calculated in accordance with the provisions of the Plan expiring in the year **2006**. Such pension benefit will be re-determined under the provisions of the Pension Plan which becomes effective April **22, 2000**, as if the Employee had retired as of April **1, 2000**.

Yours truly,

A.D. Collins  
Benefits & Employment Manager

Mr. Michael King, Plant Chairperson  
C.A.W. Local 1451  
600 Wabanaki Drive  
KITCHENER, Ontario  
N2C 2K4

Dear Mr. King:

**PENSION PLAN; TWO YEAR VESTING AND  
PRE-RETIREMENT DEATH BENEFIT UNDER  
THE PENSION BENEFITS ACT OF ONTARIO**

The Company agrees that should Chrysler and Ford Canada agree to include in their respective Pension Plans, the Pre-Retirement Death Benefit provisions and the retroactive application of the two year vesting rights, Budd Canada Inc. will apply these provisions in the same manner.

Yours truly,

A.D. Collins  
Benefits & Employment Manager

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**HOURLY RATED EMPLOYEES  
INSURANCE PLAN PREFACE  
SCHEDULE OF PLAN BENEFITS**

**A. Life Insurance Benefit:**

Prior to August 1, 1996	\$41,000
On or after August 1, 1996	\$44,500
On or after June 1, 1997	\$46,000
On or after June 1, 1998	\$47,500
On or after June 1, 1999	\$49,000
<b>On or after June 1, 2000</b>	<b>50,500.00</b>
<b>On or after June 1, 2001</b>	<b>52,000.00</b>
<b>On or after June 1, 2002</b>	<b>53,500.00</b>

**B. Accidental Death and Dismemberment Benefit:**

Prior to August 1, 1996	\$20,500
On or after August 1, 1996	\$22,250
On or after June 1, 1997	\$23,000
On or after June 1, 1998	\$23,750
On or after June 1, 1999	\$24,500
<b>On or after June 1, 2000</b>	<b>\$25,250.00</b>
<b>On or after June 1, 2001</b>	<b>\$26,000.00</b>
<b>On or after June 1, 2002</b>	<b>\$26,750.00</b>

**C. Transition and Bridge Survivor Income Benefit:**

**1. Transition Survivor Income Benefit:**

**\$625 per month increasing to \$645 effective June 1, 2000 and \$655 effective June 1, 2001**, if survivor is spouse without children or children with divorced parents. This will be increased by \$75 if the surviving spouse has dependent children or the dependent children are without parents.



**\$625 per month increasing to \$645 effective June 1, 2000 and \$655 effective June 1, 2001**, if survivor is the employee's parent and he has provided at least 50% support of such parent in the preceding calendar year.

2. Bridge Survivor Income Benefit:

**\$625 per month increasing to \$645 effective June 1, 2000 and \$655 effective June 1, 2001**. This will be increased by \$75 if the surviving spouse has dependent children, or the dependent children are without parents.

**D. Optional Group Life Coverage:**

Which provides Life Insurance Coverage on the life of the Employee in the following amounts:

	\$ 10,000
	\$ 20,000
	\$ 30,000
	\$ 40,000
	\$ 50,000
	\$ 75,000
	\$100,000
	\$125,000
	\$150,000
<b>Effective June 1, 2000</b>	<b>\$175,000</b>
	<b>\$200,000</b>

**E. Dependent Group Life Insurance Coverage:**

Provides life insurance coverage for the employee's spouse and each dependent child in accordance with the schedule below. The Employee will pay the cost of this insurance according to a schedule based on the Employee's age.

	<b>Spouse</b>	<b>Child</b>
	\$ 5,000	\$ 2,000
	\$10,000	\$ 4,000
	\$15,000	\$ 6,000
	\$20,000	\$ 8,000
	\$25,000	\$10,000
	\$30,000	\$12,000
	\$35,000	\$14,000
	\$45,000	\$16,000
<b>Effective June 1, 2000</b>	<b>\$50,000</b>	<b>\$18,000</b>
	<b>\$55,000</b>	<b>\$20,000</b>

**F. Disability Income Protection Benefit:**

1. Weekly Indemnity Benefit:

On or after **June 1, 1999** \$620 (for up to 52 weeks)

**On or after June 1, 2000** \$625

**On or after June 1, 2001** \$635

**On or after June 1, 2002** \$640

2. Reinstated Disability:

A reinstated Weekly Indemnity Benefit for Eligible Employees on a Qualifying Layoff on or after May 1, 1980.

3. Extended Disability Benefit:

For an Employee who would commence receipt of extended disability benefit on or after	Amount of Benefit for an Employee with:	
	less than 10 years contin- uous service	10 or more years contin- uous service
August 1, 1978	\$ 540.00	\$ 605.00
August 1, 1980	\$ 630.00	\$ 705.00
August 1, 1981	\$ 675.00	\$ 755.00

August 1, 1982	\$ 720.00	\$ 810.00
August 1, 1985	\$ 960.00	\$1075.00
August 1, 1987	\$ 990.00	\$1110.00
August 1, 1988	\$1175.00	\$1305.00
August 1, 1989	\$1265.00	\$1405.00
August 1, 1990	\$1295.00	\$1440.00

For an Employee Who Became Disabled On Or After	Amount of Benefit for an Employee with:	
	less than 10 years contin- uous service	10 or more years contin- uous service
May 1, 1991	\$1295.00	\$1440.00
August 1, 1991	\$1535.00	\$1710.00
August 1, 1992	\$1565.00	\$1745.00
August 1, 1993	\$1630.00	\$1810.00
August 1, 1994	\$1680.00	\$1860.00
August 1, 1995	\$1730.00	\$1910.00
August 1, 1996	\$1780.00	\$1960.00
June 1, 1997	\$1840.00	\$2025.00
June 1, 1998	\$1905.00	\$2095.00
June 1, 1999	\$1965.00	\$2160.00
<b>June 1, 2000</b>	<b>\$1990.00</b>	<b>\$2185.00</b>
<b>June 1, 2001</b>	<b>\$2015.00</b>	<b>\$2220.00</b>
<b>June 1, 2002</b>	<b>\$2040.00</b>	<b>\$2250.00</b>

Effective August 1, 1978, the maximum period that benefits may be payable will be the number of months of seniority the employee has at the date of disability minus the number of months that he received Weekly Indemnity benefits.

Effective August 1, 1985, the maximum period that benefits may be payable for an Employee with ten (10) or more years of Seniority as of the date on which disability commenced will be to Age 65.

**G. Supplementary Hospital Expense Benefit:**

The plan provides for reimbursement of the charges by a hospital for the difference between standard ward accommodation (as provided under OHIP) and semi-private accommodation.

**H. Chronic Care:**

A maximum of (\$30.00) difference per day shall be allowed for a maximum of 120 days in any 12 month period.

In a public chronic hospital or chronic wing facilities of a public general hospital a maximum reimbursement of up to **\$42.00 per day** will be paid towards the chronic care co-pay charge for a **120** day period following the expiration of the co-pay benefit period paid by the Provincial Government Health Plan.

**I. Nursing Home Expense Benefit:**

Provides for 100% coverage of the difference between OHIP allowance and semi-private charges of a nursing home.

**J. Registered Nurse**

Coverage for Registered Nurse in the home for up to 2 hours per day. **Effective June 1, 2000, 4 hours per day up to an annual maximum of \$7,500.00.**

**K. Ambulance Expense Benefit:**

Maximum reimbursement \$45.00 per trip.

**L. Vision Care Expense Benefit:**

	<b>No Change In Prescription Maximum Payable Once In Two Years</b>	<b>Change In Prescription Maximum Payable Once Per Year</b>
August 1, 1993	\$185.00	\$190.00
August 1, 1994	\$195.00	\$200.00
August 1, 1995	\$205.00	\$210.00
August 1, 1996	\$215.00	\$220.00
June 1, 1997	\$220.00	\$225.00
June 1, 1998	\$225.00	\$230.00
June 1, 1999	\$230.00	\$235.00
<b>June 1, 2002</b>	<b>\$250.00</b>	<b>\$255.00</b>

Full payment for contact lenses when used to correct specific vision problems or required due to physical deformity.

**M. Prosthetic Appliances and Durable Medical Equipment Expense Benefit:**

Effective April 21, 1980, 100% reimbursement of charges made for the rental or purchase of prosthetic appliances and/or durable medical equipment.

**N. Prescription Drug Expense Benefit:**

100% reimbursement of charges for prescribed drugs or medicines.

**O. Hearing Aid Expense Benefit:**

Reimbursement of charges for examination, making or fitting of an ear mold and the cost of a permanent hearing aid including repairs. A maximum of \$850 to be paid once every 36 months.

**Effective June 1, 2000, coverage to include, in the canal, completely in the canal, digital, programmable aids.**

**P. Chiropractic Care:**

Coverage for the full cost of treatment after OHIP reimbursement has been exhausted - maximum of \$500 per calendar year.

**Q. Dental Expense Benefit:**

The Plan provides for the reimbursement of up to 100% of eligible charges for basic preventive services such as examinations and cleaning etc., and up to 50% of eligible charges for major restorative work such as bridges, dentures and orthodontic treatment. Interval between routine examinations once every nine (9) months.

**R. Ontario Health Insurance Plan (OHIP):**

This plan provides for most basic hospital and medical care. Complete details of OHIP may be obtained through your local OHIP office.

**S. Out of Province Coverage**

The Company shall continue to provide out of province coverage for its employees for covered medical, hospital expenses incurred under certain circumstances outside the patient's province of residence.

This description has been prepared in brief general terms. For the exact terms and provisions which govern the Plan, please refer to Exhibit "A" of the Insurance Agreement dated April 26, 1997.

THIS AGREEMENT made as of the **22nd day of April, 2000**

between:

**BUDD CANADA INC.**

(hereinafter called the "Company")

**OF THE FIRST PART**

and

**NATIONAL AUTOMOBILE,**

**AEROSPACE, Transportation and General Workers**

**UNION OF CANADA**

**(CAW-CANADA) AND ITS LOCAL 145 1**

(hereinafter called the "Union")

**OF THE SECOND PART**

WHEREAS the Company has agreed with the Union to provide insurance benefits to certain individuals in accordance with the terms and conditions of the insurance plan which became effective September 1, 1967.

AND WHEREAS the company has agreed with the Union to make certain changes, and additions to the insurance plan:

NOW THEREFORE THIS AGREEMENT WITNESSETH:

1. The Company will institute effective **April 22, 2000** the Insurance Plan attached hereto as Exhibit "A" to this Agreement (hereinafter referred to as the "Insurance Plan").
2. The Insurance Plan shall become effective **April 22, 2000**, and remain in force and effect until midnight, **April 20, 2003** and shall continue in effect thereafter from year to year for further periods of one year unless either party shall have given written notice of termination or of proposals for amendments to the other party not less than two (2) months, but not more than three (3) months prior to **April 20, 2003** or prior to the expiration period thereafter.

IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives on the date first appearing above.

BUDD CANADA INC.

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NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL WORKERS  
UNION OF CANADA (CAW-CANADA) AND ITS  
LOCAL 1451.

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This is exhibit "A" to the Insurance Agreement dated **22nd day of April, 2000.**



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## SECTION I – DEFINITIONS

- A. **Company:** means Budd Canada Inc.
- B. **Union:** means the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1451.
- C. **Insurance Carrier:** means the insurance company or companies licensed to do business in Canada as appointed by the Company from time to time.
- D. **Plan:** means the insurance plan described herein.
- E. **Employee:** means hourly-paid and incentive paid employees of the Company included in the bargaining unit of the Collective Agreement.
- F. **Actively at Work”, or “Active Payroll”:** means an Employee who is working as evidenced by his time record or who is on a temporary layoff, as defined in “Article VIII-Section 8.14” of the Collective Agreement.

**Note:** An Employee who suffers a compensable injury arising out of or in the course of his employment with the Company that is certified to as such by the Company’s Medical Department will be considered on the “active payroll” for insurance purposes while unable to work during such disability.

- G. **Inactive Employee:** means an Employee who is not “Actively at Work” or on “Active Payroll” and who is not a Terminated Employee or a Retired Employee. This includes Employees on indefinite layoff, as set forth in “Article VIII -Section 8.14” of the Collective Agreement.

- H. **Terminated Employee:** means an Employee who has been removed from the payroll and whose seniority is broken even though he may be a Vested Employee.
- I. **Retired Employee:** means any individual other than a “Vested Employee” who has terminated employment with the Company and who is receiving one of the following categories of pension under the Pension Plan:
- 1) normal retirement
  - 2) regular early retirement
  - 3) special early retirement
  - 4) automatic retirement
  - 5) minimum pension
  - 6) permanent and total disability pension
- J. **Vested Employee:** means the same as a “Vested Employee” as defined in the Pension Plan.
- K. **Spouse:** for the purpose of Sections IX and X the term “spouse” shall mean the person to whom the Employee is legally married, or, if the Employee so elects, means a person of the opposite sex who has been residing with the Employee, or on or after April 26, 1997 a person of the same sex who has been residing with the employee in a conjugal relationship for a continuous period of a least one year, and has been publicly represented by the Employee as the Employee’s spouse. One, and only one individual will qualify as a spouse.
- L. **Surviving Spouse:** for the purposes of this Plan means a surviving spouse of a deceased Retired Employee who has been elected as a surviving spouse under the “Automatic Survivor Spouse Option” of the Pension Plan.
- M. **Dependent:** for the purpose of Sections IX and X means, an Employee’s Spouse and any unmarried natural child, stepchild, adopted child, or one for whom legal adoption pro-

ceedings have been initiated, and any child who is related to the Employee by blood or marriage, is principally dependent upon the Employee for maintenance and support, and is living with the Employee in a regular parent-child relationship.

1. who is under 25 years of age, not employed on a fulltime basis and dependent upon the Employee for support:
2. who became by reason of age, disqualified by 1 above but was prior to such disqualification and continues to be thereafter both
  - (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap, and
  - (b) chiefly dependent upon the insured Employee for support and maintenance, and

for the purposes of Section IX only, provided that satisfactory proof that such conditions specified above exist and such proof is submitted to the Insurance Carrier within the 31 day period prior to the attainment of such age of disqualification.

Excluding always,

1. any person who is eligible for insurance benefits under any group policy as an employee or who is eligible for extended insurance benefits under any group policy as a former employee, or
2. any person residing outside Canada or the United States of America or,
3. any person whose evidence of insurability furnished in accordance with the provisions of Section IX is not accepted as satisfactory to the Insurance Carrier.

N. **Qualified Person:** means:

1. An eligible Employee and dependents;
2. Retired Employee and eligible dependents immediately prior to his retirement;
3. Surviving Spouse and the deceased Retired Employee's eligible children immediately prior to his retirement.

O. **Pension Plan:** means the plan as set out in the Pension Agree-ment between the Company and the Union dated **April 22, 2000**.

P. **Previous Plan:** means the insurance plan in effect prior to this Plan under the terms of the Collective Agreement between the Company and the Union dated **April 21, 1997**.

Q. **Words in the Plan:** denoting the masculine gender shall be deemed to include the feminine gender and vice versa, unless the context requires otherwise. Words importing the singular number may be construed to extend to and include the plural number and vice versa.

**Company Contributions**

The entire cost of this Plan for Employees "Actively at Work", Retired Employees, Surviving Spouses, and their eligible Dependents (except for Employee contributions required under Section VI and Section VII) will be paid by the Company. The portion of premiums payable by the Company and/or Inactive Employees or Terminated Employees is set forth in Section XIII entitled "Continuation of Coverage".

**SECTION II - ELIGIBILITY**

**Present Employees**

The Plan herein provided shall become effective **April 22, 2000**

for Employees who are “Actively at Work” on that day including those on vacation, except as otherwise specified in the Plan. Employees not “Actively at Work” on such effective date will be eligible, except as otherwise specified in the Plan, for benefits hereunder on the day they return to active work after such effective date. In the meantime their Previous Plan benefits will apply.

**Employees Who Are On Layoff Or Leave Of Absence**

Employees having seniority under the Collective Agreement between the Company and the Union dated **April 22, 2000** whose insurance under this plan has partially or wholly terminated and who return from layoff or leave of absence will be insured under this Plan beginning on the day they return to active work provided such benefits are effective at the time of return to the Active Payroll.

**New Employees**

1. Employees hired or rehired will become eligible for coverage of the following benefits on the first day of the fourth month following the month in which employment commenced providing (1) they are then “Actively at Work”, and (2) such benefits are otherwise effective at that time:
  - (a) Weekly Indemnity Benefit.
  - (b) Extended Disability Benefit.
  - (c) Ontario Health Insurance Plan.
  - (d) Vision Care Expense Benefit.
  - (e) Nursing Home Expense Benefit.
  - (f) Prescription Drug Expense Benefit.
  - (g) Prosthetic Appliances and Durable Medical Expense Benefit.
  - (h) Supplementary Hospital Expense Benefit.
  - (I) Ambulance Expense Benefit.
  - (j) Chiropractic Care.
  - (k) Out of province health insurance coverage.

Examples of effective date of coverage

Hired or rehired **January 2-31, 2000 coverage** effective **May 1, 2000.**

Hired or rehired **January 1, 2000 coverage** effective **April 1, 2000.**

2. Employees hired or rehired will become eligible for coverage of the following benefits on the first day of the month coinciding with or next following the date of hire or rehire providing (1) they are then "Actively at Work", and (2) such benefits are effective at that time.

- a) Life Insurance Benefit.
- b) Accidental Death and Dismemberment Insurance Benefit.
- c) Transition and Bridge Survivor Income Benefit.

Examples of effective date of coverage

Hired or rehired **January 1, 2000,** coverage effective **January 1, 2000.**

Hired or rehired **January 2-31, 2000, coverage** effective **February 1, 2000.**

3. Employees hired or rehired will become eligible for coverage of the following benefits on the first day of the month coinciding with or next following the date of hire or rehired providing (1) they are then "Actively at Work", (2) have acquired one year of seniority and (3) such benefits are effective at that time.

- a) Dental Expense Benefit.
- b) Hearing Aid Expense Benefit.

Examples of effective date of coverage

**One year of seniority January 1, 2000, coverage January 1, 2001.**

**One year of seniority January 2-31, 2000, coverage February 1, 2001.**



#### Transferred Employees

1. Employees who are transferred into the Union will be insured under this Plan on the first day of the month coinciding with or next following the date of transfer providing (1) they are then "Actively at Work", and (2) such benefits are otherwise effective at that time.
2. Employees covered by this plan who are transferred out of this Union will be insured under this Plan until the end of the month in which they are transferred.

#### Retired Employees

1. An Employee who retires from the Company and becomes a Retired Employee on or After April 18, 1977 with 10 or more years of continuous service immediately prior to his retirement date, shall be eligible for the following coverage as of the date of retirement, providing such benefits are effective at that time, or the date such benefits become effective:
  - a) Supplementary Hospital Expense Benefit.
  - b) Ambulance Expense Benefit.
  - c) Ontario Health Insurance Plan (OHIP).
  - d) Nursing Home Expense Benefit.
  - e) Prosthetic Appliances and Durable Medical Equipment Expense Benefit.
  - f) Hearing Aid Expense Benefit.
  - g) Prescription Drug Expense Benefit.
  - h) Dental Expense Benefit.
  - i) Vision Care Expense Benefit.
  - j) Chiropractic Care.
  - k) Out of province health insurance coverage.
2. An Employee who retires from the Company and becomes a Retired Employee on or after April 18, 1977 with 10 or more years of continuous service immediately prior to his retirement date shall also be eligible for the following coverage as of the date of retirement:

- a) A Retired Employee who has retired on or after attaining age 65 and who retired prior to April 21, 1980 will be entitled to \$2,500 Life Insurance Benefit only. Increased to \$4,500 August 1, 1991. Effective August 1, 1996, this will be increased to \$5,000. Effective June 1, 1999, this will be increased to \$5,500.
- b) A Retired Employee who has retired on or after attaining age 65, and who retired on or after April 21, 1980 will be entitled to \$2,500, increased to \$3,000 effective August 1, 1980 Life Insurance Benefit only. Increased to \$4,000 August 1, 1988, increased to \$5,000 effective August 1, 1991, increased to \$5,500 effective August 1, 1996. Effective June, 1999 increased to \$6,000.
- c) A retired Employee who has retired before attaining age 65 shall be entitled to:

Life insurance in the amount equal to the amount for which he was insured immediately prior to retirement. Upon attainment of age 65, this amount will be reduced to \$2,500 (\$4,500 effective August 1, 1991), (5,000 effective August 1, 1996), if retired prior to April 21, 1980, if retired on or after April 21, 1980, this amount will be reduced to \$2,500 (\$4,500 effective August 1, 1991), (5,000 effective on or after August 1, 1991). If retired on or after August 1, 1996, this amount will be reduced to \$5,500. If retired on or after June 1, 1999 the amount will be reduced to \$6,000.

- ii. Accidental Death and Dismemberment in the amount equal to the amount for which he was insured immediately prior to retirement. This benefit will be terminated upon attainment of age 65.

3. An employee who retires from the Company under the “minimum pension” provision of the Pension Plan and becomes a Retired Employee on or after April 18, 1977 with 5 or more years of continuous service immediately prior to his retirement date shall be eligible for the following coverage as of the date of retirement, providing such benefits are effective at that time, or the date such benefits become effective:
  - a) Supplementary Hospital Expense Benefit.
  - b) Ambulance Expense Benefit.
  - c) Ontario Health Insurance Plan (OHIP).
  - d) Nursing Home Expense Benefit.
  - e) Prosthetic Appliances and Durable Medical Equipment Expense Benefit.
  - f) Hearing Aid Expense Benefit.
  - g) Prescription Drug Expense Benefit.
  - h) Dental Expense Benefit.
  - i) Vision Care Expense Benefit
  - j) Life Insurance Benefit of \$2,500.
  - k) Chiropractic Care.
  - l) Out of Province coverage.

**Reinstated--Retired Employee**

A Retired Employee who is re-employed by the Company

1. shall continue to be eligible for coverage of the following benefits:
  - a) Supplementary Hospital Expense Benefit.
  - b) Ambulance Expense Benefit.
  - c) Ontario Health Insurance Plan (OHIP).
  - d) Nursing Home Expense Benefit.
  - e) Prosthetic Appliances and Durable Medical Equipment Expense Benefit.
  - f) Hearing Aid Expense Benefit.
  - g) Prescription Drug Expense Benefit.
  - h) Dental Expense Benefit.

- i) Vision Care Expense Benefit.
- j) Chiropractic Care.
- k) Out of Province coverage.

2. will become eligible for coverage of the following benefits on the first day of the fourth month following the month in which re-employment commences providing (1) he is then "Actively at Work", and (2) such benefits are otherwise effective at that time:

- a) Weekly Indemnity Benefit.
- b) Extended Disability Benefit.

3. will become eligible for coverage of the following benefits as for a new Employee on the first day of the month coinciding with or next following the date of re-employment providing (1) he is then "Actively at Work", and (2) such benefits are otherwise effective at that time:

- a) Life Insurance Benefit.
- b) Accidental Death and Dismemberment Insurance Benefit.
- c) Transition and Bridge Survivor Income Benefit.

**4. Additional Coverage**

The provisions of this Section II Eligibility to the contrary notwithstanding, if an Employee "Actively at Work", on or after **April 22, 2000** dies as a result of bodily injuries prior to becoming eligible for coverage of the following benefits:

- a) Life Insurance Benefit.
- b) Accidental Death and Dismemberment Insurance Benefit.
- c) Transition and Bridge Survivor Income Benefit.

Such benefit coverage shall be provided for such death under Section V of this plan had such Employee been insured at the time of such injuries, the bodily injuries are caused solely by Employment with the Company, and the bodily injuries results solely from an accident in which

both the cause and result are unexpected and definite as to time and place.

**Dependents**

An Employee shall be eligible for Dependent coverage on the date of his eligibility for Employee coverage herein or on the date the person first becomes a Dependent of such Employee, whichever is the later.

**SECTION III – LIFE INSURANCE BENEFIT**

The Life Insurance Benefit for eligible Employees under the age of 65 (last day of the month preceding the month in which the Employee attains his 65th birthday) shall be **\$47,500 prior to June 1, 1999 and \$49,000 effective June 1, 1999, \$50,500 effective June 1, 2000, \$52,000 effective June 1, 2001, and \$53,500 effective June 1, 2002.**

If an Employee dies while insured under this portion of the Plan, the insurance carrier will, subject to the provisions set forth in the Plan, pay to the beneficiary named by the Employee, the amount of the Life Insurance Benefit for which he is insured.

**Waiver of Premium Benefit**

If an Employee becomes totally disabled, the insurance carrier will waive the payment of each premium due in respect of the Employee under this benefit subject to the following terms:

1. an Employee, is “totally disabled” for the purpose of this benefit if, as a result of bodily injury or disease, he is unable to engage in any business or occupation and from performing any work for compensation or profit and continues to be so totally disabled without interruption, and
  - (a) within one year of the date of disability, satisfactory proof is submitted that total disability has continued without interruption for at least six months.

- (b) total disability has commenced while the Employee is insured under this benefit and prior to his 65th birthday;
  - (c) proof of the total disability is submitted to the insurance carrier on the initiative of the disabled Employee, or by someone on his behalf, without any obligation on the part of the insurance carrier to request such proof.
2. Insurance continued in accordance with this waiver of premium benefit will terminate on the earliest of the following dates:
- (a) the date the Employee ceases to be totally disabled;
  - (b) the date the Employee fails to submit proof of disability within the prescribed time;
  - (c) the date the Employee fails to submit upon request to a . medical examination;
  - d) the date on which the employee's insurance would otherwise cease:
3. If the insurance on an Employee should terminate as outlined above and the Employee is not then eligible for insurance under this part, he will be entitled to obtain an individual policy in accordance with the conversion privilege as set out below as though his employment had terminated on the date of such termination of insurance.
4. Termination of any group insurance contract between the Company and the insurance carrier will not cause any insurance continued under this benefit to terminate.

Premium waiver will begin with the first premium due six months after the date of disability and will continue during the continuance of total disability provided that due proof of the con-

tinuance of total disability is presented by the Employee annually within the 3 month period prior to the anniversary date of the initial proof of disability being accepted by the insurance carrier:

**Payment of Claim**

Payment of a death claim shall be subject to receipt by the insurance carrier of satisfactory written proof of such death.

**Conversion Privilege**

Within thirty-one days following the termination of employment of an Employee, the Employee shall have the right to obtain without evidence of insurability, an individual life insurance policy. The amount of the individual policy must not exceed the amount of the life insurance for which the employee was insured at the date of termination of employment.

The individual life insurance policy may be any one of the individual plans offered by the insurance carrier under this conversion privilege.

The premiums for any policy insured under this conversion privilege will be at the then current rates of the insurance carrier, applicable to the class of risk to which the Employee belongs to the Plan and the amount of the policy and to the age as determined by the insurance carrier of the employee at the effective date of the individual policy.

In the event that this Plan is terminated or amended so as to terminate the employee life insurance of a class of insured Employees, any Employee whose insurance is thereby terminated and who has been continually insured for 5 years, will be entitled to exercise the conversion privilege as though his employment had terminated on the date of such termination. However, the amount of the individual policy will not exceed the lesser of:

1. the amount of the Life Insurance for which an Employee is insured on the date of such termination, minus any amount of life insurance for which he may become eligible under any

group policy issued or reinstated by an insurer within 31 days after such termination, and

2. the greater of \$5,000 or twenty-five percent of the amount of life insurance on the Employee at the date of such termination.

Any individual life insurance policy issued under the conversion privilege shall not become effective until the end of the thirty-one day period during which application for the policy may be made, but, whether or not such application has been made; if such Employee should die during the thirty-one day period, the insurance carrier will pay to the Employee's named beneficiary the amount of the life insurance which could have been obtained under the individual policy.

When an individual life insurance policy is issued under this conversion privilege, it will be in exchange for all other benefits under this section and should the Employee become eligible for benefits under this section in the future, the amount of the group life insurance available to the employee will be reduced by the amount of the individual policy issued under this conversion privilege unless the individual life insurance is terminated by the Employee.

The issue of an individual policy under this conversion privilege will not preclude the establishment of rights under the waiver of premium benefit provision provided all the conditions of such provisions are fulfilled within the required time and provided such rights are taken in exchange for all benefits under the individual policy, which latter policy will be surrendered to the insurance carrier without claim other than for the return of the premiums paid.

#### Beneficiary

An Employee, or Retired Employee, while insured hereunder, may unless prohibited by law, and without notice to or consent of



the existing beneficiary, change the beneficiary in respect of the insurance payments under this section, by submitting written notice to the insurance carrier. Such change in beneficiary will take effect as of the date the Employee signed the notice of change, whether or not the Employee is living at the time of such filing, but without prejudice to the insurance carrier on account of any payment made by it before receipt of such notice. If a designated beneficiary predeceases the Employee, the amount which such beneficiary would have received if living will, unless the Employee has directed otherwise, be payable equally to the remaining designated beneficiaries who survive the Employee, if any, otherwise to the executors or administrators of the Employee.

**Ms-statement of Age**

If the age of any Employee or Retired Employee has been misstated, a premium adjustment shall be made so that the Company shall be charged or credited, as the case may be, the difference in the premiums for the full time such insurance has been in force. If the amount of insurance would have been affected by such misstatement of age, the amount will be adjusted to the amount to which such Employee would have been entitled at his correct age, and the adjustment of premium shall be based on such adjusted amount of insurance.

**Settlement Options**

Any Employee or Retired Employee may elect, by written notice to the insurance carrier, to have the employee life insurance paid on his death in accordance with one of the following options, or in accordance with any method of settlement agreeable to the insurance carrier, instead of one sum. If no election has been made prior to the death of the Employee, the beneficiary or person entitled to receive the proceeds may, by written notice, select any one of the said options.

Option I    12 equal monthly instalments of \$84.28 each, for each \$1,000 payable

Option II 24 equal monthly instalments of \$42.66 each, for each \$1,000 payable

Option III 36 equal monthly instalments of \$28.79 each, for each \$1,000 payable.

If payment of the amount of the insurance on any Employee be made in instalments, the insurance carrier will pay in addition to such instalments any excess interest earnings which it may determine.

**SECTION IV -ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE BENEFIT**

If the Employee under age 65 (last day of the month preceding the month in which the Employee attains his 65th birthday) or Retired Employee under age 65 and while insured under this portion of the Plan suffers the loss of life, sight or limb as a result, directly and independently of all other causes of bodily injury effected solely through external violent and accidental means and if such loss occurs within one year in the case of death and two years in the case of other losses after such injuries were incurred, the insurance carrier will, subject to the conditions, exclusions and reductions stated herein, pay to the Employee if living, otherwise to the beneficiary designated by the Employee for life insurance or his estate if no such beneficiary designation is in effect, the sum of **\$24,500 effective June 1, 1999, \$25,250 effective June 1, 2000, \$26,000 effective June 1, 2001, \$26,750 effective June 1, 2002**, or such lesser amounts in the event of certain losses as are set forth below in the Schedule of Losses.

**Schedule of Losses**

In the event of loss of:

Life	The full amount of insurance.
Both Hands	The full amount of insurance.

Both Feet	The full amount of insurance.
Sight of both eyes	The full amount of insurance.
One hand and one foot	The full amount of insurance.
One hand and sight of one eye	The full amount of insurance.
One foot and sight of one eye	The full amount of insurance.
One hand	One-half the full amount of insurance.
One foot	One-half the full amount of insurance.
Sight of one eye	One-half the full amount of insurance.
Thumb and index finger of one hand by severance	One quarter the full amount of insurance

With regard to hands and feet, loss shall mean dismemberment by severance at or above wrist or ankle joints respectively or **loss of use of one hand or one foot, effective June 1, 2000**; with regard to eyes, total and irrecoverable loss of sight.

If an Employee shall sustain more than one of the losses listed in the schedule of losses as a result of any one accident, payment shall be made only for that one loss for which the largest amount is payable.

**Loss of use means total and irrecoverable loss of the ability to perform every action the hand or foot was able to perform before the accident occurred, beyond correction by surgical or other means. No benefits will be paid for loss of use if benefits for loss of the same hand or foot are paid or payable as a result of the same accident. Loss of use will be considered a loss only if it is continuous for one (1) year.**

If loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place, the total amount payable as accidental death and dismemberment benefit shall be two (2) times the amount of

accidental death and dismemberment insurance then in force under this Section IV.

Payment for loss of life shall be made to the beneficiary named by the Employee. All other benefits payable under this part shall be paid to the Employee.

#### Limitations

No payment shall be made under this section for any loss resulting directly or indirectly, wholly or partially, from any one of the following:

- 1) Suicide or self-inflicted injuries, while sane or insane.
- 2) Committing, or attempting to commit, an assault or felony.
- 3) Participating in a riot.
- 4) Insurrection or war or any act attributable to war, or service in the armed forces of any country at war.
- 5) Bodily or mental infirmity or illness or disease of any kind or medical or surgical treatment therefore.
- 6) The taking, administration, inhalation or absorption of any poison, drug, medicine, gas or fumes, voluntary or involuntarily, accidentally or otherwise.
- 7) Injuries of which there is no visible contusion or wound on the exterior of the body, drowning and internal injuries revealed by autopsy excepted.

As used herein "war" means declared or undeclared war and includes conflict between armed forces and resistance to armed aggression; "armed forces" means the military, naval and air forces of any country, combination of countries or international organization and includes any auxiliary or civilian non-combatant unit serving with such forces.

#### Beneficiary

An Employee, while insured hereunder, may from time to time, unless forbidden by law, and without notice to or the consent of the existing beneficiary, change the beneficiary in respect to the

insurance payable for loss of life under this part, by filing written notice with the insurance carrier. Such change shall take effect as of the date the Employee signed the notice of change, whether or not the Employee is living at the time of such filing, but without prejudice to the insurance carrier on account of any payment made by it before receipt of such notice. If any designated beneficiary predeceases the Employee the share which such beneficiary would have received if living will, unless the Employee has directed otherwise, be payable equally to the remaining designated beneficiaries who survive the Employee, if any, otherwise to the executors or administrators of the Employee.

#### **SECTION V -TRANSITION AND BRIDGE SURVIVOR INCOME BENEFIT**

If an Employee dies while insured under this portion of the Plan leaving one or more survivors as hereinafter defined, the insurance carrier will, subject to the provisions set forth in its policy, pay to such survivor or survivors, the amount of monthly survivor income benefit for which he is insured.

##### **Extended Death Benefit**

If an Employee while insured under this portion of the plan and prior to his sixty-fifth birthday becomes totally disabled as a result of bodily injury or disease so as to be wholly prevented from engaging in any and every business or occupation and from performing any work for compensation or profit, and continues to be so totally disabled without interruption beyond the termination of his employment and until the date of his death, the insurance carrier will pay to the survivor or survivors as hereinafter defined, the amount of monthly Survivor Income Benefit for which he was insured hereunder at the date of termination of his employment provided,

1. that satisfactory proof that such total disability exists and has continued as specified above without interruption for at least

nine months is submitted either before the termination of the Employee's employment within one year thereafter, and

2. that acknowledgment of the receipt of such satisfactory proof is endorsed on the Employee's certification by the insurance carrier, and
3. that each year, within the three months preceding the anniversary of such endorsement, during the entire remainder of the Employee's lifetime, further satisfactory proof is submitted that such total disability has continued without interruption, and
4. within one year after the death of the Employee satisfactory proof is submitted of such death and of the uninterrupted continuance of total disability to the date of such death.

If, however, the Employee's death occurs within one year after the termination of his employment and before any such proofs have been submitted, then satisfactory proof that the Employee was totally disabled without interruption from the date of termination of his employment to the date of his death must be submitted within one year after the date of his death.

All such proofs of total disability and of death must be submitted in writing to the insurance carrier on the initiative of the disabled Employee or by someone on his behalf, without any obligation on the part of the insurance carrier to request any such proof.

If the Employee ceases to be totally disabled, or fails to submit proof within the time prescribed therefore, or fails to submit upon request to examination by physicians designated by the insurance carrier, his rights under this extended death benefit provisions shall cease automatically and immediately.

#### Payment of Claim

Payment of claim under this part due to the death of an employee

shall be subject to receipt by the insurance carrier of satisfactory written proof of such death. Payment of each monthly Survivor Income Benefit is subject to the condition that the person claiming benefit submit to the insurance carrier due proof of entitlement of such benefit.

**Assignment**

An Employee may not assign his Survivor Income Benefits and his survivors may not assign any monthly survivor income benefit that becomes payable.

To the extent permitted by law, monthly Survivor Income Benefits shall not be subject to attachment or other encumbrance or subject to the debts or liability of any survivor.

**A. Transition Survivor Income Benefit**

**Benefit Payable**

The insurance carrier shall begin payment of not more than twenty-four monthly transition Survivor Income Benefits, provided at least one survivor is living on the first day of the month following the Employee's death and then qualifies as his survivor. The first such benefit is payable on the first day of the month following the Employee's death. Thereafter, a Transition Survivor Income Benefit is payable on the first day of each of the next twenty-three months, but if on the first day of any month after the Employee's death no person then living qualifies as his survivor, no such benefit is payable for that month or any subsequent month.

**Payee**

The survivors entitled to each transition Survivor Income Benefit that becomes payable under this part shall be determined as follows:

1. the Employee's Class A survivor who is living on the first day of a month shall be entitled to the benefit payable for such month:

2. if the Employee's Class A survivor is not living on the first day of a month, persons who qualify on that day as his Class B survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two or more such persons to share the benefit equally;
3. if the Employee's Class A survivor is not living on the first day of a month and no living person qualifies on that day as the Employee's Class B survivor, persons who qualify on that day as the Employee's Class C survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two such persons to share the benefit equally.

**Amount of Benefit**

The amount of the Transition Survivor Income Benefit is as follows and is applicable to Employees under the age of 65 (last day of the month preceding the month in which the employee attains his 65th birthday).

**\$625.00 per month effective June 1, 1998, increased to \$645.00 effective June 1, 2000 and \$655.00 effective June 1, 2001**, and if the deceased Employee is survived by (i) a spouse but no children, or (ii) children but no spouse, provided that the Employee at the time of death was divorced and the divorced spouse is still living. The above amount will be increased by \$75.00 if the Employee is survived by (i) a spouse and children, or (ii) orphaned children.

2. **\$625 per month effective June 1, 1998, increased to \$645.00 effective June 1, 2000 and \$655.00 effective June 1, 2001** if survivor is the Employee's parent and he has provided at least 50% support of such parent in the calendar year immediately preceding his death.

**B. Bridge Survivor Income Benefit Payable**

A Class "A" survivor who was at least 45 years of age at the



Employee's death, or whose age (to the nearest full calendar month) when combined with the Employee's years and twelfths of credited service under the "Hourly-Rated Employee's Pension Plan", both of which are to be determined as of the date of the Employee's death, totals fifty-five (55) or more, and to whom twenty-four Transition Survivor Income Benefit payments have been paid shall be paid an additional monthly survivor income benefit (Bridge Survivor Income Benefit) for each month thereafter while such survivor lives and continues to qualify as a survivor until the earlier of (i) her or his remarriage, or (ii) her or his attainment of age 65.

**Amount of Benefit**

The amount of the monthly Bridge Survivor Income Benefit is as follows and is applicable to Employees under the age of 65 (last day of the month preceding the month in which the employee attains his 65th birthday):

**\$625.00 per month effective June 1, 1998, increased to \$645.00 effective June 1, 2000 and \$655.00 effective June 1, 2001.** This will be increased by \$75.00 if the surviving spouse has dependent children, or the dependent children are without parents.

**Survivors**

Survivors shall be classified and defined as follows:

- 1) "Class A survivor" means the employee's spouse whether or not remarried, but only if she was married to the Employee for at least a year immediately prior to his death.

For the purposes of this Section V, a Class A survivor shall also include an Employee's common-law spouse **or same sex spouse** provided cohabitation existed, and the Employee publicly represented such common-law spouse as his spouse for a period of not less than 24 months immediately prior to the death of that Employee.

- 2) A "Class B survivor" means the Employee's child who, at the time of the Employee's death and at the time a survivor benefit first becomes payable to such child, is both unmarried and either:
- (a) under 21 years of age, or
  - (b) at least 21 but less than 25 years of age, or
  - (c) totally and permanently disabled at any age over 21 provided however that a child under(b) or(c) must have been legally residing with and dependent upon the Employee at the time of his death. A child ceases to be Class B survivor upon marrying, or if not totally permanently disabled, upon reaching his or her 25th birthday.

To qualify as the Employee's child, the child must be one of the following:

- (a) the Employee's own child born prior to the first of the month following the Employee's death;
  - (b) the Employee's legally adopted child or a child with respect to whom he had initiated legal adoption proceedings which were terminated by his death;
  - (c) the Employee's stepchild who resided with him at the time of his death.
- 3) A "Class C survivor" means the Employee's parent for whom he had, during the calendar year immediately preceding his death, provided at least 50% of such parent's support if such person was:
- (a) the Employee's father or mother by blood relationship, or
  - (b) the Employee's adopting parent.

**Non-Duplication of Benefits**

A qualified survivor shall not receive the Transition or Bridge Survivor Income Benefits for any month in which the amount of pension benefits payable under the Pension Plan to such survivor is greater than the amount of Transition or Bridge Survivor Income Benefit. In no case will a qualified survivor receive in any month, both Transition or Bridge Survivor Income Benefits and a monthly pension under the Pension Plan.

**SECTION VI – OPTIONAL GROUP LIFE INSURANCE****A. Eligibility**

An employee as defined in Section I who is insured for life insurance in accordance with Section III, shall become eligible for Optional Group Life Insurance.

- a) On the first day of the calendar month next following the month in which the employee acquires one (1) year of seniority.

The date that an employee becomes eligible for Optional Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

**B. Enrollment and Effective Dates**

The employee's Optional Group Life Insurance shall become effective as follows:

1. If the employee enrolls on or before his eligibility date, insurance becomes effective on the eligibility date.
2. If the employee enrolls during the 31 day period following his eligibility date, insurance becomes effective on the first day of the calendar month next following the date of enrollment.

3. If the employee enrolls after the 31st day following his eligibility date, or if the employee becomes insured for Optional Group Life Insurance and later decides to enroll for a higher amount of insurance as set forth in Section C. herein, the employee must furnish evidence satisfactory to the insurance carrier; a) of his good health, or b) that he has married or acquired children by birth or adoption during the 31 day period immediately prior to such enrollment. In either case, insurance shall become effective on the first day of the calendar month next following the date the insurance company approves such evidence, provided that in the case of b) above, the change in status is still in existence.
4. In any event, unless there is a minimum 50% participation, all eligible employees will be required to submit satisfactory evidence of insurability.

In any event, for an employee to become insured initially, or for a higher amount of insurance, he must be actively at work on the date the insurance would otherwise become effective. If the employee is not actively at work on such date, the insurance becomes effective on the date the employee returns to active work, provided he is still then eligible as set forth in Section A herein.

If the employee becomes insured for Optional Group Life Insurance and later enrolls for a lower amount of insurance as set forth in Section C herein, the employee shall become insured for such lower amount of insurance on the first day of the calendar month next following the month for which he last contributed for the higher amount, whether or not he is then actively at work.

#### **C. Amount of Insurance**

An employee may elect one of the following amounts of Optional Group Life Insurance:

Schedule I	\$10,000
Schedule II	\$20,000
Schedule III	\$30,000
Schedule IV	\$40,000
Schedule V	\$50,000
Schedule VI	\$75,000
Schedule VII	100,000
Schedule VIII	\$125,000
Schedule IX	\$150,000

**And for employees actively at work on or after June 1, 2000**

<b>Schedule X</b>	<b>\$175,000</b>
<b>Schedule XI</b>	<b>\$200,000</b>

The amount of Optional Group Life Insurance in force on account of an employee shall be reduced on the first day of the calendar month next following the month in which he attains age 66, and on each subsequent anniversary of such date, by 20% of the amount of Optional Group Life Insurance in force on the employee's 65th birthday. If, after his 65th birthday, an employee either enrolls for an increased or decreased amount of insurance, then, for the purpose of the reductions set forth in the preceding sentence, the amount of Optional Group Life Insurance shall be determined as though such initial, increased or decreased amount were in force on the employee's 65th birthday. No Optional Group Life Insurance is provided after the end of the month in which the employee attains age 70.

**Waiver of Premium Benefits**

If an employee younger than 65 years old becomes totally disabled while insured for this benefit, the insurance carrier will waive the premium required on behalf of that employee for continued insurance under this benefit, provided that:

- a) the employee remains totally disabled longer than a qualifying period of six months, and

b) the employee submits proof of being totally disabled within one year of the date the disability started.

**D. Contributions**

The employee shall contribute the full cost of the Optional Group Life Insurance and contributions shall be payable monthly in advance. The required monthly contribution for each \$1,000 of Optional Group Life insurance is as set forth in the following schedule which is subject to change.

<u>Employee's Age</u>	<u>Monthly Contributions</u>
Less than age 30	\$ .07
30 - 39	\$ .08
40 - 49	\$ .20
50 - 54	\$ .44
55 - 59	\$ .73
60 - 64	\$1.04
65 - 69	\$1.32

When the employee attains a birthday which places him in a higher age bracket, the monthly contribution will change on the first day of the calendar month next following the month in which such birthday occurs.

**E. Payment of Benefits**

1. The amount of Optional Group Life Insurance is payable to the beneficiary of record of the employee in the event of death from any cause while the employee is insured for Optional Group Life Insurance.
2. At the written request of the beneficiary, Optional Group Life Insurance shall be paid whether in a lump sum or in instalments. No instalment election shall be valid if such settlement would result in instalment payments of less than \$28.79 per \$1,000.

3. If the insurance is payable in instalments and the beneficiary dies before all instalments have been paid, the unpaid instalments shall be computed at the rate of interest used in computing the amount of instalment payments, and paid in one lump sum to the estate of the beneficiary unless otherwise provided in the election of an instalment settlement.
4. The employee's insurance certificate shall set forth the administrative provisions regarding the recording of beneficiary designations, changes of beneficiary and the procedure for payment of insurance in case there is no beneficiary living at the death of the employee.
5. The insurance is term insurance without cash, loan or paid up values.

#### **F. Cessation of Insurance**

Optional Group Life Insurance will automatically cease on the earliest of the following:

1. The date the employee ceases to be insured for life insurance provided for in accordance with Section III of the insurance plans.
2. If the employee fails to make a required contribution for Optional Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
3. The last day of the calendar month in which the employee attains age 70.
4. The date of discontinuance of Optional Group Life Insurance under the insurance plan as defined in the plan.

### **G. Conversion Privilege**

Upon written application made to the insurance company within 31 days after the date of cessation of the employee's Optional Group Life Insurance because of cessation. If an employee quits or is discharged in accordance with Section III of the insurance plans, the employee shall be entitled to have an additional policy of life insurance only, without disability benefits, issued by the insurance company without evidence of insurability.

The converted policy may be:

- a) non-convertible term insurance to age 65; or
- b) any plan, other than term insurance, that the insurance carrier offers to the public at the time of conversion or:
- c) 1 year term insurance which may be converted while it is in force to any plan described above.

The premium for such individual policy shall be the premium applicable to the class of risk to which the employee belongs and to the form and the amount of the individual policy at the employee'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 the employee, less than) the amount of the employee's Optional Group Life Insurance 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 may be made. If, however, the employee dies during such 31 day period, the insurance company shall pay to such beneficiary of record, whether or not the employee shall have made application for such individual policy, the maximum amount of life insurance for which an individual policy could have been issued.



Optional Life Insurance became effective on February 1, 1984.

## **SECTION VII – DEPENDENT GROUP LIFE INSURANCE**

Dependent Group Life Insurance will be available in accordance with the provisions as set forth in this section. In the event of any conflict between the provisions of this Section and any other provisions of this insurance plan, the provisions of this Section will supersede such other provision to the extent they apply:

### **A. Eligibility Date**

An employee as defined in Section 1 shall become eligible for Dependent Group Life Insurance:

On the first day of the calendar month next following the month in which the employee acquired one (1) year of seniority.

Provided that the employee at that time is insured for the Life Insurance provided for in Section III, and has at least one eligible dependent as defined in Section "C" below. If the employee does not then meet these conditions, he shall become eligible for Dependent Group Life Insurance on the first day of the calendar month next following the date these conditions are first set. The date that the employee becomes eligible for Dependent Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

### **B. Enrollment and Effective Dates**

The employee's Dependent Group Life Insurance shall become effective as set forth below:

1. If the employee enrolls on or before his eligibility date, insurance becomes effective on the eligibility date.

2. 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.
3. If the Employee enrolls subsequent to the 31st day following his eligibility date, or if the employee become insured for Dependent Group Life Insurance under a schedule and later decides to enroll for a higher amount of insurance under another schedule as set forth in Section E herein, the Employee must furnish evidence satisfactory to the insurance carrier 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 carrier approves the evidence, with respect to those persons whose evidence has been approved and who are still eligible dependents, as defined in Section C 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 A above.

If the employee becomes insured for the amounts of insurance under a schedule and later enrolls for decreased amounts as set forth in Section E herein, the schedule shall become effective on the first day of the calendar month next following the last month for which he made the required contribution for the insurance under the prior schedule, whether or not he is then actively at work.

#### **C. 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 provisions 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 qualifies in the current year for dependency tax status. A child as defined in (i), (ii), (iii), (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 long-continued for 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, or on or after April 25, 2000 a person of the same sex who has been residing with the employee in a conjugal relationship, 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

only to the Dependent Group Life Insurance set forth herein and shall be entirely independent of the definition set forth in Section I of this insurance plan.

**D. Amount of Insurance**

The amount of Dependent Group Life Insurance applicable to each dependent is as follows:

**Effective June 1, 2000**

Spouse/Child

5000	10000	15000	20000	25000	30000	35000	45000	<b>50000</b>	<b>55000</b>
2000	4000	6000	8000	10000	12000	14000	16000	<b>18000</b>	<b>20000</b>

**E. Contributions**

The employee shall contribute the full cost of Dependent Group Life insurance and contributions shall be payable monthly in advance. The required monthly contribution, 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:

**Effective June 1/2000**

Age of Employee	Child	S p o u s e										
		\$2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	\$18,000	\$20,000	\$55,000
Less than 30		.41	.82	1.30	1.79	2.05	2.46	2.87	3.59	<b>4.10</b>	<b>4.51</b>	
30 - 34		.50	1.00	1.59	2.18	2.50	3.00	3.50	4.40	<b>5.00</b>	<b>5.50</b>	
35 - 39		.85	1.70	2.70	3.71	4.25	5.10	5.95	7.55	<b>8.50</b>	<b>9.35</b>	
40 - 44		1.10	2.20	3.50	4.80	5.50	6.60	7.70	9.80	<b>11.00</b>	<b>12.10</b>	
45 - 49		1.48	2.97	4.73	6.47	7.40	8.88	10.36	13.22	<b>14.80</b>	<b>16.28</b>	
50 - 54		2.09	4.19	6.66	9.09	10.45	12.54	14.63	18.71	<b>20.90</b>	<b>22.99</b>	
55 - 59		2.95	5.90	9.38	12.85	14.75	17.70	20.65	26.45	<b>29.50</b>	<b>32.45</b>	
60 - 64		4.39	8.78	13.95	19.13	21.95	26.34	30.73	39.41	<b>43.90</b>	<b>48.29</b>	
65 - 70		5.90	11.79	18.75	25.71	29.50	35.40	41.30	53.00	<b>59.00</b>	<b>64.90</b>	

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When the employee attains a birthday which places him in a higher age bracket, the monthly contribution will change on the first day of the calendar month following the month in which such birthday occurs.

#### **F. 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 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.

#### **G. Cessation of Insurance**

Dependent Group Life Insurance shall automatically cease on the earliest of the following:

1. The date the employee ceases to have a dependent as defined in Section C above.
2. The date the employee ceases to be insured for life insurance provided in accordance with Section III.
3. If the employee fails to make a required contribution for Dependent Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
4. The last day of the calendar month preceding the month in which the employee attains his 71st birthday.
5. The date of discontinuance of Dependent Group Life Insurance under the insurance plan.

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 defined in Section C above.

#### **H. Conversion Privilege**

Upon written application made by a person the insurance carrier within 31 days after the date of cessation of the Dependent Group Life Insurance on account of such person because of:

1. Cessation of the employee's life insurance provided in accordance with Section III, unless such cessation was due to discontinuance of Dependent Group Life Insurance under the insurance plan, or
2. Such person's ceasing to be a Dependent as defined in Section C above, such person shall have the right to obtain, without evidence of insurability, an individual policy of Life Insurance, without disability or double indemnity benefits for an amount not exceeding the amount of Dependent Life Insurance for which such person was insured under this part in respect of such person on the date of cessation of such insurance. Such person must pay the first premium thereon to the company, within the thirty-one (31) days stipulated. The individual policy may be on any one of the forms, except term insurance, customarily being issued by the Insurance Carrier at the age and for the amount applied for, at the date it becomes effective.

The premium for such policy shall be at the then current rates of the Insurance Carrier applicable to the class of risk to which such person then belongs and applicable to the Plan and amount of the policy at the attained age, nearest birthday, at the effective date thereof.

An individual policy of life insurance so issued shall become effective at the end of the thirty-one (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 the individual policy of life insurance dies during such 31 day period, the insurance carrier 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 person dies subsequent to the death of the employee.

Dependent Group Life Insurance shall become effective on February 1, 1984.

#### SECTION VIII - DISABILITY INCOME PROTECTION BENEFIT

##### A. Weekly Indemnity Benefit

If an employee while insured under this portion of the Plan becomes totally disabled by an accidental injury or sickness, the insurance carrier will, subject to the provisions and limitations set forth below, pay such Employee, a weekly indemnity benefit for which he is insured hereunder for the period of such disability commencing with the following:

##### 1. Accident Benefits

Accident benefits to commence on the first day of disability due to a non-occupational accident provided the employee seeks medical treatment by a physician promptly following such accident; otherwise, his benefit will commence as of the first day of treatment.

##### 2. Sickness Benefits

Sickness Benefits to commence on the eighth day of disability due to a non-occupational illness provided the employee seeks medical treatment by a physician during this period; otherwise the benefit will commence as of the first day of



treatment. If during the first week of disability due to sickness, the employee is either confined as an inpatient for one or more days, or as an out-patient undergoes a surgical procedure (including an employee who becomes wholly and continuously disabled as a result of undergoing voluntary surgery for sterilization purposes), the charges for which are \$25.00 or more, payment will commence on the first day of disability.

The requirement that an employee be under treatment by a physician legally licensed to practice medicine, shall be deemed to have been met if an employee, participating in the joint Company/Union Employee Assistance Program (E.A.P.), under treatment for alcohol or drug abuse in a residential or out-patient substance abuse treatment facility, furnishes the insurance company with certification of disability provided by the facility's physician director, or by a physician consultant selected by the facility. For such certification to be acceptable proof that such an employee is wholly and continuously disabled and unable to perform all the duties of his occupation, such certification must be provided by a licensed doctor of medicine or osteopathy.

In no case will benefits continue for more than (52) weeks during any one period of disability whether disability be due to one or more cause or causes.

Weekly Indemnity Benefits shall be payable during the period an employee is on an authorized Pregnancy Leave of Absence, or could be placed on a Pregnancy Leave of Absence by the Company in accordance with any Pregnancy Leave provisions of the relevant Provincial statutes. The Weekly Indemnity Benefits payable will be reduced by any Unemployment Insurance Maternity Benefits received for the same Pregnancy Leave of Absence.

The term "totally disabled" or total disability as used in this portion means the inability of the employee resulting from injury or sickness to engage in his regular occupation.

Surgical procedure as used in this section is defined as:

1. a procedure that is recognized under the OHIP Schedule of Insured Services.
2. the procedure must be performed by a licensed physician.  
The amount of such weekly disability benefit shall be for an employee who would commence receipt of weekly indemnity benefit;

<b>On or after June 1, 1999</b>	<b>\$620.00</b>
<b>On or after June 1, 2000</b>	<b>\$625.00</b>
<b>On or after June 1, 2001</b>	<b>\$635.00</b>
<b>On or after June 1, 2002</b>	<b>\$640.00</b>

**Limitations**

- a) No weekly indemnity benefit shall be payable for any period of disability during which the employee is not wholly and continuously disabled as above provided, and is not under the treatment of:
  - 1) a physician legally licensed to practice medicine or,
  - 2) a chiropractor, such benefits will be limited to a maximum period of three (3) weeks.
- b) No Weekly Indemnity Benefit shall be payable to any employee for any period of time that such employee has been scheduled for vacation during the prime vacation period as set forth in Article XIII of the Collective Agreement.
- c) In the event that an employee denied a Weekly Indemnity Benefit in (b) above subsequently takes his scheduled vacation at a later date, he shall receive a payment equal to the amount of benefit denied in (b) above.

No Weekly Indemnity benefits are payable during any period of maternity leave of absence that is greater than the period provided for in Article 9.08 of the Collective Agreement unless such extension is granted upon receipt of a medical certificate from a legally qualified medical practitioner.

**Payment of Claims**

Subject to proof of disability, payments will be made at the expiration of each week during the period of disability for which the indemnity is payable and said payments will be mailed directly to the Employee by the insurance carrier.

**Offsets to Benefits**

- a) Weekly Indemnity Benefits will not be paid for any day for which an Employee is entitled to holiday pay or received pay for more than four (4) hours for any day. An Employee who receives pay for four (4) hours or less for any day will receive Weekly Indemnity Benefits for such day if otherwise qualified. If holiday pay eligibility is in dispute, Weekly Indemnity Benefits will be paid and recovered later if the Employee receives retroactive holiday pay.
- b) Subject to the provisions of a Waiver, Reimbursement agreement form provided by the Insurance Carrier or the Company, Weekly Indemnity benefits will be paid for occupational disabilities arising out of and in the course of employment within the Company on the same terms as would have applied if the disability had been non occupational
- c) In no case will any employee receive any indemnity or compensation under any Workers Compensation or similar law while in receipt of Weekly Indemnity payments

**Successive Disability**

Successive periods of disability of an Employee separated by less than four weeks of active full-time employment shall be considered one continuous period of disability unless the subsequent

disability is due to an injury or sickness unrelated to the cause or causes of the previous disability and begins after the Employee has returned to active full-time employment.

**B. Reinstatement of Weekly Indemnity Benefits During Layoff**

1. Eligibility Requirements:

A Weekly Indemnity Benefit shall be reinstated, subject to the modifications set forth herein, for an employee who:

- becomes totally disabled by an accidental injury or sickness for which the employee is not entitled to any indemnity or compensation under any Workers' Compensation or similar law while on a qualifying layoff on or after May 1, 1980 as defined in Article Section 1.02 of the Supplemental Unemployment Benefit Plan (SUB Plan) and while insured for life insurance.
- has been eligible for a regular benefit under the SUB Plan or was ineligible solely due to an Unemployment Insurance allocation of vacation pay to a week of layoff or has been employed by another company immediately prior to his becoming disabled.

Notwithstanding the provisions of Section VIII, Weekly Indemnity Benefits provided under this Subsection B are payable only if, with respect to each week for which a benefit is claimed, the Employee:

- is unable to engage in his regular occupation.
- is under treatment by a qualified physician, or is under treatment by a Chiropractor (such benefits limited to a maximum of three (3) weeks.)
- has to his credit at least a Credit Unit under the SUB Plan.

- is not eligible for Unemployment Benefits under any Unemployment Compensation Law. (However, an Employee will not be disqualified from eligibility for Extended Disability Benefits because he has exhausted his Credit Units under the SUB Plan and is still eligible for illness benefits under the Unemployment Insurance Act).

2. Payment of Benefits:

Benefits start on the *first* day following the last day for which a Regular Benefit was payable to the Employee if he was receiving Regular Benefits immediately prior to his becoming disabled; otherwise on the first day of qualifying disability. No benefit shall be payable beyond the time that the Employee no longer satisfies the disability requirement except that, if he remains on qualifying layoff under the SUB Plan, benefits shall be payable for remaining days in the same week as defined in the SUB Plan for which he does not receive a Regular Benefit.

3. Suspension or Reduction of Benefits:

No benefit shall be payable for any week in which:

- The Employee receives a Weekly Indemnity Benefit under Section VIII "A" or an Extended Disability Benefit under Section VIII "C" or
- the credit unit cancellation base is below the minimum on the appropriate table of Article 3, Section 3.04 of the Supplemental Unemployment Benefit Plan.

The Benefit for any week shall be reduced by the amount of any Disability Benefit he receives for the same week under a plan financed in whole or in part by another employer.

4. Except as specifically modified herein, Benefits under this Subsection "B" shall be governed by the applicable provisions of Section VIII "A".

### C. Extended Disability Benefit

If an Employee while insured under this part becomes totally disabled as defined herein and such total disability continues without interruption for a period exceeding the maximum number of weeks for which he is entitled to receive Weekly Indemnity Benefits under Section VIII "A" or "B" or illness benefits under the Unemployment Insurance Act in accordance with Section VIII "B", the insurance carrier will subject to the provisions and limitations herein grant the following benefits:

The insurance carrier will pay to the disabled Employee a monthly disability benefit of \$385.00. For Employees who are actively at work or on active payroll on or after August 1, 1977 and who would commence the receipt of extended disability benefit payments on or after August 1, 1978, the monthly benefit will be:

For an Employee who would commence receipt of extended disability benefit	Amount of Benefit for an Employee with	
	Less than 10 yrs continuous service	10 or more yrs continuous service
August 1, 1978	\$ 540.00	\$ 605.00
August 1, 1980	\$ 630.00	\$ 705.00
August 1, 1981	\$ 675.00	\$ 755.00
August 1, 1982	\$ 720.00	\$ 810.00
August 1, 1985	\$ 960.00	\$1075.00
August 1, 1987	\$ 990.00	\$1110.00
August 1, 1988	\$1175.00	\$1305.00
August 1, 1989	\$1265.00	\$1405.00
August 1, 1990	\$1295.00	\$1440.00

Effective May 1, 1991

For an Employee who became disabled on or after	Amount of Benefit for an Employee with	
	Less than 10 years continuous service	10 or more years continuous service
May 1, 1991	\$1295.00	\$1440.00
August 1, 1991	\$1535.00	\$1710.00
August 1, 1992	\$1565.00	\$1745.00
August 1, 1993	\$1630.00	\$1810.00
August 1, 1994	\$1680.00	\$1860.00
August 1, 1995	\$1730.00	\$1910.00
August 1, 1996	\$1780.00	\$1960.00
<b>June 1, 1997</b>	\$1840.00	\$2025.00
June 1, 1998	\$1905.00	\$2095.00
June 1, 1999	\$1965.00	\$2160.00
<b>June 1, 2000</b>	<b>\$1990.00</b>	<b>\$2185.00</b>
<b>June 1, 2001</b>	<b>\$2015.00</b>	<b>\$2220.00</b>
<b>June 1, 2002</b>	<b>\$2040.00</b>	<b>\$2250.00</b>

Such benefit payment will be reduced by an amount equal to the amount of disability benefit, if any, to which the Employee is entitled in respect of the same disability under the Canada Pension Plan or the Quebec Pension Plan. This reduction will be frozen at the level of benefits established upon the date disability commences.

The benefit will commence as of the first day following the date of completion of the waiting period applicable to the Employee and for a period not to exceed the maximum income period applicable to the Employee. Payments in respect of any period of total disability of less than one month will be made at the daily rate of one-thirtieth of the monthly extended disability benefit payments.

**Maximum Income Period**

The maximum income period during which extended disability benefits may be payable shall be:

1. in the case of an employee on or at work on or after August 1, 1985, who has ten (10) or more years of seniority as of the day on which disability commenced, the number of months commencing with the month in which the date of the expiration of the maximum number of Weekly Accident and Sickness Benefits occurs and terminating with the end of the month in which the employee attains age 65, and
2. in the case of an employee who has less than ten (10) years of seniority as of the day on which disability commenced, the number of months by which the employee's full months of seniority at commencement of disability exceeds the maximum number of weeks for which he is entitled to receive Weekly Indemnity Benefits, under Section VIII, A or B.

In any event, extended disability benefits shall not be payable beyond the date of the employee's death, the end of the month in which he attains age 65 (provided, however, that if the employee becomes disabled at or after age 63 and subsequently becomes eligible for Extended Disability Benefits, such benefits will be payable for up to 12 months, but in no event beyond the end of the month preceding the month in which he attains his 71st birthday), or the time that he no longer satisfies the disability requirement.

#### Total Disability

The term "total disability" as used in this part means the inability of the Employee, resulting from injury or sickness to engage in his regular occupation, except that if payment of monthly extended disability benefits has been made for a period of twenty-four months during any one continuous period of such disability, then for the remaining period of such disability, total disability shall mean the complete inability of the Employee to engage in any gainful occupation within the Company for which he is reasonably fitted by education, training or experience. The Company may require the Employee, as a condition of eligibility, to submit to an examination by a physician designated by it for the purpose of determining his initial or continuing disability.



**Recurrent Disability**

If, following a period of total disability due to injury or sickness, the Employee shall return to the active payroll and perform all the required duties thereof on a full-time basis for a continuous period of four months or more, any subsequent disability commencing while this Plan is in force and resulting from, or contributed to, by the same cause or causes shall be considered to be a new period of disability and monthly extended disability benefit payments for such disability shall be paid in accordance with the applicable provisions of this Plan as if no prior disability had existed, but if the period of such employment shall be less than four months, such subsequent disability shall be considered to be a continuation of the previous disability and the insurance carrier's liability for the monthly extended disability benefit payments for the entire period, including such preceding disability or disabilities, shall be subject to the limits set forth for the original period of disability.

**Limitations**

1. No benefits will be granted under this part for disability resulting directly or indirectly, wholly or partially, from self-inflicted injuries, while sane or insane.
2. No benefit shall be payable for any period of disability resulting from service in the armed forces unless the Employee has been in employment with the Company at least ten years after separation from such service.

**Pro Rating**

If the monthly extended disability benefit payable to the Employee under this part together with any other disability or retirement income benefits including lump sum settlements, to which he may be entitled during a period of disability, under any Workers' Compensation or similar law, any government social security plan or law, any other group insurance contract, or any other employer insurance or retirement plan.

1. For an Employee who would commence receipt of extended disability benefit payments prior to August 1, 1980 exceeds in the aggregate an amount equal to the sum of:

75% of the first \$500.00 plus  
60% of the next \$1,000.00 plus  
40% of the excess

2. For an Employee who would commence receipt of extended disability benefit payments on or after August 1, 1980 exceeds 85% of the Employee's earned monthly income immediately prior to the commencement of total disability, then the amount of monthly extended disability benefit payable under this part will be reduced so that the monthly extended disability benefit together with all such other disability or retirement income benefits.

1. For an Employee who would commence receipt of extended disability benefit payments prior to August 1, 1980 will not exceed the sum of:

75% of the first \$500.00 plus  
60% of the next \$1,000.00 plus  
40% of the excess

2. For an Employee who would commence receipt of extended disability benefit payments on or after August 1, 1980 will not exceed 85% of the Employee's earned monthly income immediately prior to the commencement of total disability.

For the purpose of this provision, earned monthly income means basic monthly pay and 1/12th of other compensation for personal services actually rendered, including commissions and bonuses, received from the Company in the preceding calendar year.

**Rehabilitation**

If an Employee who has become totally disabled while insured under this part and has continued to be so disabled for a period at least equal to the 52 week waiting period applicable to him, thereafter engages in rehabilitative employment supervised by his attending physician and approved by the insurance carrier, disability will be deemed to continue during such period of rehabilitative employment but not for a period of more than 24 months from the date of entry into the program. If the disabled Employee receives remuneration during such period of rehabilitative employment, the amount of monthly extended disability benefit otherwise payable to the Employee under this part shall be reduced by 50% of the monthly remuneration received for such employment.

**SECTION IX – HOSPITAL-MEDICAL- SURGICAL-  
DRUG BENEFITS****A. Supplementary Hospital Expense Benefit**

If, while insured under this part, a Qualified Person receives treatment in a legally licensed hospital in Canada as a result of an accidental injury or sickness for which the Qualified Person is not entitled to any indemnity or compensation under any Workers' Compensation or similar law the insurance carrier will, subject to the provisions and limitations set forth in this part, pay to the Qualified Person, the difference between the charges for standard ward accommodation and the semi-private rate of the hospital confinement.

**Limitations**

1. No payment will be made for any period of hospital confinement unless such confinement and the continuation of such confinement during the entire period thereof are recommended and approved by a physician or surgeon legally licensed to practice medicine.

2. No payment will be made for hospital charges which are insurable under the Provincial Hospital Plan of the Province in which the Employee, Retired Employee or Surviving Spouse resides.
3. No payment will be made with respect to the hospital confinement of a Dependent or Surviving Spouse which commences before the date the Dependent or Surviving Spouse became insured under this part.

**Extension of Benefits**

If the Qualified Person is totally disabled on the date of termination of his insurance under this part, benefits will be payable under this part with respect to such disabled Qualified Person during the uninterrupted continuance of such total disability and while this plan is still in force as if the insurance with respect to such Qualified Person is still in force but not in any event for more than three months after the termination of the insurance.

**B. Chronic Care**

If a qualified person, while insured under this article is in a public chronic hospital or chronic wing facilities of a public general hospital, a maximum reimbursement of \$30.00 per day April 26, 1997 for 120 days per Benefit Year (beginning with the first paid claim) for the difference between the charges for a standard ward and the cost of semi-private accommodation when the patient has occupied semi-private accommodation.

**In a public hospital in a bed designated as an alternate level of care bed by the attending physician, or maximum reimbursement of up to \$42.00 per day will be paid towards the chronic care co-pay charge for up to 120 days following the expiration of the co-pay benefit period paid by the Provincial Government Health Plan, effective June 1, 2000**

#### Limitations

1. Where the subscriber or dependent has occupied a chronic bed in a semi-private room, either in, or outside, of the Province of residence, a maximum of \$30.00 difference per day shall be allowed for a maximum of 120 days in any 12 month period.
2. To be eligible for reimbursement for occupancy of a chronic bed, accommodation must be in a public chronic hospital or chronic wing facility of a public hospital.
3. No benefit shall apply to semi-private accommodation in a nursing home, home for the aged, T.B. Sanatorium or mental hospital.
4. Payment of benefits is contingent upon the Provincial Health Insurance Plan in the Province in which the patient resides accepting and agreeing to pay the ward of standard rate.
5. Reimbursement shall not be in respect to any eligible expense unless a claim is filed as required by the Carrier.

#### Definition

The term "hospital" as used in this part means a legally constituted institution which is licensed as a hospital in Canada, (if hospital licensing is required where it is situated), which is open at all times and is operated primarily for the care and treatment of sick and injured persons and in-patients, which has a staff of one or more licensed physicians available at all times which continuously provided 24 hour nursing service by graduated registered nurses, which provides organized facilities for diagnosis and major surgery and which is not primarily a clinic, nursing, convalescent or rest home, or similar establishment.

### **C. Nursing Home Expense Benefit**

This benefit is payable while a Qualified Person is confined in a participating Nursing Home or Home for the Aged under the OHIP Extended Health Care Program.

While the Qualified Person is an eligible patient under that program this benefit will pay the difference between the cost of ward and semi-private accommodation as well as any daily charge for ward or semi-private accommodation in excess of the OHIP allowance.

Benefits are payable for any confinement commencing while insured, but no payment is made after the effective date of termination of the Qualified Person's insurance.

### **D. Registered Nurse**

Coverage for Registered Nurse in the home for up to 2 hours per day. **Effective June 1, 2000, four (4) hours per day up to an annual maximum of \$7,500.**

### **E. Ambulance Expense Benefit**

If, while insured under this part, a Qualified Person is confined in a legally licensed hospital in Canada as a result of an accidental injury or sickness for which the Qualified Person is not entitled to any indemnity or compensation under any Workers' Compensation or similar law.

The insurance carrier will, subject to the provisions and limitations set forth in this Plan, pay to the Qualified Person an amount equal to the charges actually made to such person for professional ambulance service for transporting him to or from the hospital in connection with such confinement, but not more than \$45.00 per trip, and for not more than one trip during any one period of disability, whether disability be due to one or more cause or causes.

## **F. Vision Care Expense Benefit**

A Qualified Person while insured under this part will be covered for the following incurred expenses.

The term "incurs" or "incurred" as used in this part means the earliest of (a) payment in full for service or supply (b) receipt of service or supply or (c) order of service or supply.

### **Covered Expenses**

1. Charges up to the maximum stated below in any twenty- four (24) month period:

<b><u>24 month period</u></b>	<b><u>Maximum amount</u></b>
<b>Commencing on or after</b>	
<b>June 1, 1999</b>	<b>\$230.00</b>
<b>June 1, 2002</b>	<b>\$250.00</b>

For the purchase of lenses, the fitting of prescription glasses and the replacement of frames including:

- (a) The purchase of options such as oversized lenses, photo-sensitive lenses, prescription sunglasses and contact lenses with the choice of glass or plastic lenses at the option of the insured.
  - (b) Tints #1 and #2 without prescription requirement.
  - (c) Procedures which are determined to be special or unusual such as orthoptics, vision training, subnormal vision aids.
2. Where a change in prescription is required, charges for lenses and frames shall be subject to the following maximum amounts in any twelve (12) month period.

<u>12 month period</u>	<u>Maximum amount</u>
Commencing on or after June 1, 1999	\$235.00
After June 1, 2002	\$255.00

3. Full payment for contact lenses when used to correct vision problems resulting from keratoconus, irregular astigmatism or irregular corneal curvature and when required due to physical deformity (such as the absence of an ear or nose).
4. Children up to age 19 who have diabetes or other medical conditions requiring frequent lens changes (as substantiated by an ophthalmologist) will be eligible for new lenses to a maximum of twice per year whenever they have a prescription change.
5. Repairs to frames will not be subject to a frequency limitation.

**Expenses Not Covered**

1. Duplicate glasses or lenses or frames thereof.
2. The cost of glasses if such cost is covered by another group insurance plan or any governmental plan or law.

**Limitations**

1. All optical services must be prescribed and performed by a legally licensed optometrist or ophthalmologist.
2. Only glasses ordered while insured will be eligible for payment
3. No benefits will be paid for any glasses paid for in whole or in part by the Company.

**G. Prosthetic Appliances and Durable Medical Equipment Expense Benefit**

A Qualified Person will be covered for charges incurred on a



rental or purchase basis for external prosthesis and orthotic appliances as well as other durable medical equipment subject to the following:

1. the appliance or equipment must be prescribed by a licensed physician, and
2. the appliance or equipment must be reasonable and necessary for the treatment of an illness or injury or to improve the function of a malformed member of the body and
3. the decision to purchase or rent will be based on the physician's estimate of the duration of the need.
4. the term "incurs" or "incurred" as used in this part means the earliest of (a) payment in full for services or supply, (b) receipt of service or supply, or (c) order of service or supply.

**Covered Expenses for Prosthetic Appliances**

Covered expenses for Prosthetic Appliances include the initial purchase, repairs to existing appliances and replacement.

1. Orthotic appliances: spinal appliances, scoliosis appliances, lower limb appliances and modifications, orthopedic shoes and modifications (when used as an integral part of orthotic appliance), upper limb appliance and modifications, and trusses.
2. Prosthetic appliances: exoskeletal and endoskeletal appliances, preparatory procedures, modifications, modifications and repairs for lower and upper limb.
3. Restorative appliances: artificial eyes, ears, nose, larynxes, and external breast prostheses (including surgical bra).
4. Ostomy sets, urinary sets and accessories, including disposable gloves, implantable Urethral Sphincters, and Cochlear implants.

5. Prosthetic lenses (for persons lacking an organic lens or following cataract surgery), and Frieder Prism SEG Prosthetic Lens.
6. External cardiac pacemakers.

**Expenses Not Covered**

Dental appliances, eye glasses, elastic stocking, garter belts, arch supports, corsets, and corrective shoes except as used as an integral part of an orthotic appliance.

**Covered Expenses for Durable Medical Equipment**

1. Hospital beds and related equipment.
2. Equipment used to increase mobility, such as crutches, canes, patient lifts, walkers and wheelchairs.
3. Oxygen and breathing apparatus.
4. Bathroom aids, including effective May 1, 1991 portable toilets in lieu of commodes for patients who have otherwise qualified for a commode.
5. Therapeutic equipment such as decubitus ulcer care equipment, dialysis equipment, dry heat and ice application devices, IV stands, intermittent pressure units and accessories, neuromuscular stimulants, sitz baths and traction equipment and accessories.
6. Automatic blood pressure monitor when prescribed by a physician for a patient on home renal dialysis and digital electronic pacemaker monitor when prescribed by a physician for a patient with a cardiac pacemaker.
7. Rental of prescribed electromagnetic coil bone growth stimulators.

8. Home glucose monitors (including glucometer and dex-trometers) prescribed by a physician where there is evidence of poor diabetic control.
9. Insulin medi-jectors, up to a maximum of \$800.00 once every five (5) years per individual, prescribed by a physician where there is evidence of brittle diabetic condition.
10. Rental of an electric power scooter in lieu of a wheelchair when prescribed by a physician for the effective treatment of a patient's condition.
11. Raised toilet seats for cancer patients
12. Wig or hairpiece prescribed by a physician when hair loss is caused by chemotherapy or radiation treatment.
13. Disposable Diapers and Cloth Diapers when prescribed by a physician for incontinent persons.
14. Soft casts to a maximum of \$30.00 per cast effective 4/1/96.
15. Reusable underpads for wheelchairs to a maximum of 6 per year effective 4/1/96.
16. One pair of custom made corrective footwear per year (excluding off the shelf orthopaedic footwear) to a maximum of \$500.00 in any 36 month period commencing with the date the first service or supply is incurred effective 4/25/94.
17. Geriatric chairs on a one time only basis to a maximum of \$2,000.
18. Bath tub rails up to a lifetime maximum of \$100.

**Expenses Not Covered**

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; items not primarily medical in nature or for comfort convenience (e.g. bedboards, over-bed tables, adjust-a-bed, telephone arms, air conditioners etc.); physician's equipment (e.g. infusion pumps, sphygmomanometer, stethoscope, etc.) disposable supplies (e.g. disposable sheaths and bags, elastic stockings, etc.) exercise and hygienic equipment (exercycle, Moore wheel, bidet toilet seats, bathtub seats, etc); self-help devices not primarily medical in nature (e.g. elevators, sauna baths, etc.); corrective shoes and arch supports, experimental or research equipment, and devices paid for under any law.

#### **H. Prescription Drug Expense Benefit**

If, while insured under this part, a Qualified Person incurs covered expenses for the purchase of drugs at a pharmacy, from a physician, dentist, or from a hospital, the insurance carrier will, subject to the provisions and limitations set forth in this Plan, pay to such Qualified Person the amounts of such covered expenses.

The term "incurs" or "incurred" as used in this part means the earliest of (a) payment in full for services or supply, (b) receipt of service or supply, or (c) order of service or supply.

#### **Covered Expenses**

The term "covered expenses" as used in this part means expenses incurred which are for the purchase of drugs or medicines which require a written prescription of a physician or dentist and which must be dispensed by a licensed pharmacist or physician, less \$1.00 for each prescription order and refill and which

1. are necessary in the care and treatment of a sickness or injury, and,
2. are reasonable, taking into account all the circumstances and are not in excess of the regular and customary charges for

such drugs or medicines, and

3. are, for persons aged 65 or over not recognized as eligible expenses under the Ontario Health Insurance Plan (OHIP), and
4. are not hereinafter excluded.

**Limitations**

The term “covered expenses” as used in this part shall not include:

1. any expenses for proprietary or patient medicines as defined in the Proprietary or Patent Medicine Act of Canada, nor
2. any expenses for drugs or medicine based on information contained in a prescription when authority to inspect such prescription is denied to the insurance carrier, nor
3. any expenses for drugs or medicines based on a prescription issued by an optometrist, chiropodist (podiatrist), chiropractor, osteopath, or any person other than a physician or dentist, nor
4. that part of any charges for drugs or medicines for which reimbursement is made under any other part of this Plan or which are payable by or may be recovered through any other group insurance policy, group medical, surgical or hospital pre-payment plan, Workers’ Compensation Act, or any government plan or law, nor
5. any expenses for drugs or medicines provided without charges, or for which there would be no charge except for the existence of insurance.
6. smoking cessation aids - maximum lifetime \$500.00.

**Definitions**

1. the term “drug” as used in this section means and includes any substance that is listed in the National Formulary as provided by Shared Health Network Services Limited and dispensed by a Pharmacist, Physician or Dentist subject to the following limitation regarding generic product substitution.

Whenever an interchangeable generic product is available, eligible expenses shall be limited to the cost of the lowest priced item in the appropriate generic category that is suitable for the substitution of the drug that was prescribed. However, such limitation shall not apply to any prescription written by brand name and directed by the prescriber as not to be interchangeable or substituted.

2. the term “hospital” as used in this part means a legally constituted institution which is licensed as a hospital, which is open at all times and is operated primarily for the care and treatment of sick and injured persons as in-patients, which has a staff of one or more licensed physicians available at all times, which continuously provides 24-hour nursing service by graduate registered nurses, which provides organized facilities for diagnosis and major surgery and which is not primarily a clinic, nursing, rest or convalescent home or similar establishment.
3. the term “physician” as used in this part means a physician or surgeon legally licensed in Canada.
4. the term “dentist” as used in this part means a legally licensed dentist practising in Canada within the scope of his license.

**I. Hearing Aid Expense Benefit**

A Qualified Person including an Employee who is “Actively at Work” or on “Active Payroll” with one or more years seniority and Dependents, while insured under this part will be covered for

the following services or supplies up to the maximums stated below in any 36 month period commencing with the date the first service or supply is incurred.

<u>36 Month Period</u>	<u>Maximum Amount</u>
Commencing on or after	
April 21, 1980	\$500.00
April 25, 1988	\$850.00

The term "incurs" or "incurred" as used in this part means the earliest of (a) payment in full for services or supply, (b) receipt of service or supply, or (c) order of service or supply.

**Covered Expenses and Supplies**

1. The cost of making or fitting an ear mold.
2. The cost of a permanent hearing aid.
3. For an audiometric examination, the reasonable and customary charge.
4. Effective April 25, 1988, repairs of hearing aids from the dealer.
5. Effective April 25, 1988, coverage to include a binaural system.
- 6. Effective June 1, 2000, coverage to include, in the canal, completely in the canal, digital, programmable aids.**

In the case of a binaural hearing aid system, the insurance carrier must determine that such a system is necessary, based upon professionally accepted standards, to compensate for the loss of hearing acuity.

**Expenses Not Covered**

1. Charges that have been incurred but not prescribed by a doctor of medicine.

2. Charges for the replacement of batteries and cords.
3. Charges for the repair and replacement of parts.
4. Charges which may be recovered under any other part of the group policy, any Workers' Compensation Act, or any governmental plan or law.

#### **J. Chiropractic Care**

A Qualified Person will be covered for the cost of Chiropractic Treatments subject to the following:

1. The Qualified Person must have exhausted Chiropractic Benefit entitlement, as provided under the Ontario Hospitalization Plan, before any benefit shall be payable under this Section (J.).
2. The amount of benefit payable to any Qualified Person under this Section (J.) shall be limited to a maximum of \$500.00 in any one calendar year.

#### **K. Out of Province Coverage**

The Company shall continue its arrangement to provide out-of-province coverage to pay physicians, or to reimburse patients, for covered hospital and medical expenses incurred under certain circumstances outside the patient's province of residence.

Benefits are 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 (a) accidental injury or emergency medical services which occurred while travelling within 60 days of his date of departure (b) referred for medical care by the member's attending physician.

The benefit payment for covered medical expenses incurred



equals the fee charged for such services less the fee scheduled under the applicable provincial medical plan for the covered services are 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 services up to semi-private provincial accommodations less the sum of payments made by the applicable provincial and supplementary hospital plan.

Covered services are those medical services for which a fee is scheduled under the fee schedule of the applicable provincial hospital plan.

**Maximum**

The maximum lifetime out of province amount payable is \$1,000,000 for the member and each covered dependent.

If any portion of the \$1,000,000 is paid in any calendar year, an amount of up to \$1,000 will be reinstated on January 1st each year until the maximum has been restored. If the amount payable equals or exceeds, \$1,000 in a calendar year, the full amount of benefit may be restored with evidence of good health.

**L. Emergency Air Ambulance**

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 the services of a registered nurse during the flight, the services and return air fare for a registered nurse.

**M. Coordination of Benefits**

A. The Health Care Expense Benefits set forth in Sections IX, X and Letters 1, 2, 3, 8 and 9 of this Health Care Program provide benefits in full, or a reduced amount which, when added to the benefits payable and the cash value of services provid-

ed by any "Other Plans", will equal 100% of "Allowable Expenses" incurred by the person for whom claim is being made. This provision does not apply during any month in which the individual has paid 50% or more of the cost of the Other Plan, "Allowable Expenses" include any necessary and reasonable charges for items of expense which are covered in whole or in part under the Health Care Expense Benefits set forth in Sections IX, X and Letters 1, 2, 3, 8 and 9 of this Health Care Program or the Other Plan to which this provision applies, "Other Plans" include any plan of medical or dental coverage provided by group insurance or other arrangement of coverage for individuals in a group whether or not the plan is insured; provided that such other plan will not be considered a "plan" for the purposes of the Coordination of Benefits Provisions during any month for which the individual has paid 50% or more of the cost of that plan,

To administer this provision, and to determine whether the Carrier will reduce benefits, it is necessary to determine the order in which the various plans will pay benefits. This will be determined as follows:

- (1) A plan with no coordination of benefits provision will pay its benefits before a plan which contains such a provision;
- (2) A plan which covers an individual other than as a dependent will pay its benefits before a plan which covers the individual as a dependent;
- (3) A plan which covers an individual as a dependent of the covered person with the earliest day and month of birth in the calendar year will pay its benefits first;
- (4) Where the above do not establish the order of payment, the benefits shall be pro-rated between or amongst the plans in proportion to the amounts that would have been paid under each plan had there been coverage by just that plan.

The Carrier may release or obtain any information and make or recover any payments it considers necessary to administer this provision.

- B. In cases where both spouses are employed by the Corporation and only for claims incurred while both spouses would otherwise be eligible for Corporation paid Health Care Expense Benefits coverage under their own contract as an employee in accordance with the provisions of this Supplemental Agreement and the coordinated Health Care Expense Benefits described under Section A. above will be provided under the contract of the employee who elects coverage for self and spouse or self and family.

To administer this provision the employee who elects coverage for self and spouse or self and family must enroll the employee's spouse for coordinated coverage as an employee on a form provided by the Company and the Company will advise the Carrier concerning the continuing eligibility status of such spouse either as an employee actively on the payroll as an employee who has ceased to be actively on the payroll in accordance with the provisions of this Supplemental Agreement.

#### **SECTION X – DENTAL EXPENSE BENEFIT**

If a qualified person including an employee who is “actively at work” or on “active payroll” with one or more years seniority and dependents, while insured under this section incurs expenses for dental services rendered in Canada, the insurance carrier will provide reimbursement for such expenses in accordance with the provisions and limitations of this section.

##### **Covered Dental Expenses**

Covered dental expenses are the lesser of the reasonable and customary charges of a dentist or the Ontario Dental Association

Schedule of Fees required to pay for services and supplies which are necessary for treatment of a dental condition, as herein set forth, for service and supplies customarily employed for treatment of that condition and only if rendered in accordance with accepted standards of dental practice. Such expenses shall be only those incurred in connection with the following dental services which are performed by a licensed dentist and which are received while insurance is in force.

1. The following covered dental expenses shall be paid at 100% of the covered expense:
  - a) Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than once in any period of nine (9) consecutive months.
  - b) Four units of periodontal scaling when performed by a general practitioner per benefit year.
  - c) Topical application of fluoride provided that such treatment shall be a covered dental expense on or after May 1, 1980 only for persons under 20 years of age, unless a specific dental condition makes such treatment necessary.
  - d) Space maintainers that replace prematurely lost teeth for children under 19 years of age.
  - e) Emergency palliative treatment.
2. The following covered dental expenses shall be paid at 100% of covered expense.
  - a) Dental x-rays including full mouth x-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing x-rays (but not more than once in any period of nine (9) consecutive months) and such other dental x-rays are as required in connection

with the diagnosis of a specific condition requiring treatment.

- b) Extractions.
- c) Oral surgery.
- d) Amalgam, silicate, acrylic, synthetic porcelain, and composite filling restorations to restore diseased or accidentally injured teeth.
- e) General anaesthetic including intravenous sedation when medically necessary and administered in connection with oral or dental surgery.
- f) Treatment of periodontal and other diseases of the gums and tissues of the mouth including periodontal splinting, provisional splinting or ligation, provisional, intra coronal or extra coronal and a Temporomandibular Joint Appliance as an adjunctive periodontal service.
- g) Endodontic treatment, including root canal therapy.
- h) Injection of antibiotic drugs by the attending dentist.
- i) Repair or recementing of crowns, inlays, onlays bridge-work or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months.
- j) Inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture cannot be restored with an amalgam, silicate, acrylic, synthetic porcelain, or composite filling restoration.

Porcelain veneers to treat the following conditions: amelogenesis imperfecta, Hutchinsons Incisors; and hypo maturation

- k) Effective August 1, 1991, pit and fissure sealants for permanent molars for children up to and including age fourteen,
3. The following covered dental expenses shall be paid at 50% of covered expenses.
- a) Initial installation of fixed bridgework (including inlays and crowns as abutments).
  - b) Initial installation of partial or full removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).
  - c) Replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:
    - (i) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or
    - (ii) the existing denture or bridgework cannot be made serviceable and, if it was installed under this dental expense benefits program, at least five (5) years have elapsed prior to its replacement; or
    - (iii) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures but if professionally adequate result can be achieved only with bridgework, such bridgework will be a covered dental expense.

- d) Orthodontic procedures and treatment (including related oral examinations) consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (when provided by a dentist in conjunction with appliance therapy) for qualified persons under 21 years of age, provided, however, that benefits will be paid after attainment of age 21 for continuous treatment which began prior to such age.

#### **Maximum Benefits**

The maximum benefit payable for all covered dental expenses incurred during any twelve (12) month period commencing June 1 and ending the following May 31 (except for services described in part 3(d) of this Section X) shall be **\$1750.00 (\$1975.00 effective June 1, 2000) for each individual.**

For covered dental expenses in connection with orthodontics including related oral examinations, surgery, and extractions described in part 3(d) of this Section X, the maximum benefit payable shall be **\$2025.00 (\$2300.00 effective June 1, 2000)** during the lifetime of each individual.

#### **Predetermination of Benefits**

If a course of treatment can reasonably be expected to involve covered dental expenses of \$200.00 or more, a description of the procedures to be performed and an estimate of the dentist's charges must be filed with the insurance carrier prior to the commencement of the course of treatment.

The insurance carrier will notify the qualified person and the dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consid-

eration will be given to alternate procedures, services, or courses of treatment that may be performed for the dental condition concerned in order to accomplish the desired result.

If a description of the procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the insurance carrier reserves the right to make a determination of benefits payable taking into account alternate procedures, services or courses of treatment, based on accepted standards of dental practice. To the extent verification of covered dental expenses cannot reasonably be made by the insurance carrier, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This predetermination requirement will not apply to courses of treatment under \$200.00, or to emergency treatment, routine oral examination, x-rays, prophylaxis and fluoride treatments.

#### Limitations

##### 1. Restorative:

(a) Gold, baked porcelain restorations, crowns and jackets. If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge remains the responsibility of the patient.

##### (b) Reconstruction:

Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.



2. Prosthodontics:

(a) Partial Dentures:

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such precision will be made toward a more elaborate or precision appliance that patient and dentist may choose to use, and the balance of the cost remains the responsibility of the patient.

(b) Complete Dentures:

If, in the provision of complete denture services, the patient, dentist or licensed denture therapist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the standard denture service will be made toward such treatment and the balance of the cost remains the responsibility of the patient.

(c) Replacement of Existing Dentures:

Replacement of an existing denture will be a covered dental expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable.

Replacement of prosthodontic appliances will be a covered dental expense only if at least five (5) years have elapsed since the date of the initial installation of the appliance under this dental expense benefits program, except as described above.

3. Orthodontics:

(a) If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefits for the services, to the extent remaining, shall be resumed.

(b) The benefit payment for orthodontic services shall be only for months that coverage is in force.

4. Periodontics

The following periodontal services will be covered; dental expenses only if performed by a Periodontist:

(a) Gingival curettage.

(b) Provisional splinting - intracoronal.

(c) Provisional splinting - extracoronal.

(d) Occlusal equilibration.

(e) Scaling and root planing (twelve units of scaling) per benefit year.

(f) A Temporomandibular Joint (T.M.J.) appliance will be a covered adjunctive periodontal service only when performed by a certified dental specialist (i.e. Periodontist, Orthodontist, Prosthodontist and Oral Surgeon).

Exclusions

Covered dental expenses do not include and no benefits are payable for:

1. Charges for services for which benefits are otherwise provided for surgical, medical, and prescription drug coverage.
2. Charges for treatment by other than a licensed denture therapist or a dentist, except that scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist.
3. Charges for veneers or similar properties of crowns and pon-

tics placed on or replacing teeth, other than the ten upper and lower anterior teeth.

4. Charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures.
5. Charges for prosthetic devices (including bridges), crowns, inlays and onlays and the fitting thereof which were ordered while the individual was not insured for dental expense benefits or which were ordered while the individual was insured for dental expense benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage.
6. Charges for the replacement of a lost, missing or stolen prosthetic device,
7. Charges for failure to keep a scheduled visit with the dentist.
8. Charges for replacement or repair of an orthodontic appliance.
9. Charges for services or supplies which are compensable under a Workers' Compensation or employer's liability law.
10. Charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer.
- I I. Charges for services or supplies for which no charge is made that the patient is legally obligated to pay or for which no charge would be made in the absence of dental expense coverage.
12. Charges for services or supplies which are not necessary, according to accepted standards of dental practice, or which are not recommended or approved by the attending dentist.

13. Charges for services or supplies which do not meet accepted standards of dental practice, including charges for services or supplies which are experimental in nature.
14. Charges for services or supplies received as a result of dental disease, defect or injury due to an act of war, declared or undeclared.
15. Charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body.
16. Charges for any duplicate prosthetic device or any other duplicate appliance.
17. Charges for any services 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.
18. Charges for the completion of any insurance form.
19. Charges for sealants and for oral hygiene and dietary instruction
20. Charges for plaque control program.
21. Charges for implantology.
22. Charges for treatment started while the individual is not covered. Treatment is considered to begin (a) for full or partial dentures, when the impression is taken for the appliances (b) for fixed bridgework, crowns, and other gold restorations, when the tooth is first prepared (c) for root canal therapy, when the tooth is opened.

23. Orthodontic benefits will be payable only for those charges which represent usual, reasonable and customary charges for services which have been performed regardless of financial arrangements agreed to by the patient. Services performed prior to the effective date are **not Covered Dental Expenses** and their cost remains the responsibility of the patient.
24. The method to be used by the insurance carrier to pro-rate orthodontic benefits when the Plan provides for orthodontic treatment started prior to the effective date of insurance coverage is as follows: The maximum costs are to be calculated from the date the active appliance was inserted. The maximum benefits payable are to be calculated from the effective date of insurance coverage.

**Benefits After Termination of Insurance**

The Plan provides benefits up to 60 days following termination of insurance for:

1. Fixed bridgework, crowns or gold restorations, provided the tooth was prepared while the individual was covered.
2. Full or partial dentures, provided the impression for the appliance was taken while the individual was covered.

**Subrogation**

In the event of any payment for dental expense benefits, the insurance carrier shall be subrogated to all the qualified person's rights of recovery therefore against insurers on policies of insurance issued to and in the name of the qualified person, and the qualified person shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights.

**Proof of Loss**

The insurance carrier reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim of dental expense benefits payable, the insurance

carrier may require x-rays and other appropriate diagnostic and evaluative material.

**Definitions**

The term “dentist” means a legally licensed dentist practicing in Canada within the scope of his or her license.

As used herein, the term “dentist” also includes a legally licensed physician authorized by his or her license to perform the particular dental services as rendered, and a legally licensed denture therapist authorized to perform the services rendered. Reimbursement for a denture therapist will be on the same basis as similar services provided by a dentist and will be limited to the lesser of the denture therapist’s reasonable and customary charges for such services and the current Ontario Denture Therapist Association Schedule of fees.

The term “Periodontist” means a legally licensed dentist who specializes in Periodontics, the treatment of diseases of the supporting structures of the teeth, and who practises within the scope of the Dentist’s License.

The term “reasonable and customary charge” means the actual fees charged by a dentist for a service rendered or supply furnished but only to the extent that the fee is reasonable, taking into consideration the following:

1. The usual fee which the individual dentist most frequently charges the majority of his patients for a service rendered or supply furnished; and
2. The prevailing range of fees charged in the same area by dentists of similar training and experience for the service rendered or supply furnished; and
3. Unusual circumstances or complications requiring additional time, skill, and experience in connection with the particular

dental service or procedure.

The term “area” means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross section of dentists rendering such services or furnishing such supplies.

The term “course of treatment” means a planned program of one or more services or supplies, whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term “orthodontic treatment” means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term “ordered” means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crowns, inlays and onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays or onlays.

**SECTION XI – ONTARIO HEALTH INSURANCE PLAN  
(OHIP)**

A Qualified Person while insured under this section shall be entitled to all OHIP services as currently made available through the provisions of the Health Insurance Act, 1972, and Regulations, as the Act is amended from time to time.

## SECTION XII – GENERAL PROVISIONS

- A. The Company will bear the total administrative responsibility for the establishment and continuation of this Plan. It is the obligation of the Company to provide the benefits established by this Agreement using such insurance companies, trust arrangements, cash payments, or other arrangements as it decides.
- B. The terms of any contract issued by the insurance carrier in accordance with the provisions of the Plan shall be controlling in all matters pertaining to benefits under this Agreement.
- C. Benefits under this Plan are not assignable.
- D. Any overpayment to an Employee under this Plan may be recovered from other insurance benefits or from future wages payable to the employee.

### E. Sick Leave

An employee with seniority who is unable to work because of illness or injury, and who furnishes satisfactory **medical evidence provided by a licensed medical physician** thereof, shall be granted a leave of absence while disabled **as per Article 9.02 of the Collective Agreement**. He will be returned to work in accordance with his seniority, provided he furnishes satisfactory **medical evidence of recovery**.

In those situations where an Employee claims sufficient recovery from a non-occupational illness or injury to return to work and is not released by a physician acting for the Company due to medical restrictions, or where an Employee claims continued disability from a non-occupational illness or injury and a physician acting for the Company or insurance carrier determines that the Employee is no longer disabled, the following procedure will be applied provided however, that no case involving any provisions of the Pension Plan shall be subject to this procedure.



1. The Employee must present written evidence from his personal physician to support his claim of recovery or continued disability.
2. Should a disagreement exist between the Employee's physician and a physician acting for the Company or the insurance carrier, the Employee may discuss the circumstances of his case with a shop committeeman or Benefit Plans Representative.
3. Should the Committeeman or the Benefit Plans Representative believe the Employee has grounds to support his claim, he may request a review of all medical information with the Labour Relations Manager or his designated representative. A physician acting for the company or the insurance carrier may be given the opportunity to discuss with the Employee's physician the type of work available and the nature of the disability.
4. In those cases where the review described in E(3) of this Section XII does not resolve the dispute, the parties will obtain the services of a mutually acceptable medical specialist and refer the Employee involved to such specialist for medical evaluation, including such examinations as the specialist may deem necessary to determine whether or not the Employee is medically able to do the job to which his seniority entitles him. The selection of the specialist by the parties will be made within seven (7) days from the initiation of the discussion in E(3) above. The cost of such evaluation will be paid by the company. The medical evaluation provided for herein will be scheduled as promptly as possible and will not be cancelled unless by the mutual consent of the Company and the Union. If such medical evaluation cannot be scheduled within a reasonably prompt period of time, the parties will meet to select a different medical specialist who can schedule the medical evaluation reasonably promptly.

5. If as a result of such medical evaluation the Employee is found medically able to perform the job to which his seniority entitles him, he will then be reinstated to such job. Under such circumstances, the Employee shall be entitled to retroactive pay from the date of the earlier approval to return to work.
6. If as a result of such medical evaluation the Employee is found medically unable to perform the job to which his seniority entitles him, he shall not be reinstated and such Employee will not be entitled to any back pay, but will continue to receive weekly indemnity benefits.
7. An Employee, upon request, will be reimbursed by the Company at the rate established in the Collective Agreement for travel by the most direct route to and from the examiner's office for a medical examination under Section X(E)(4) when the plant is more than 65 km one way from the examiner's office. Mileage will be paid from residence of Employee to examiner and return.
8. If as a result of such medical evaluation the Employee is found medically able to perform the job to which his seniority entitles him, he shall be reinstated and such Employee will be entitled to receive weekly indemnity benefits until such time that the Company returns the employee to work.
9. If the Company and the Union are unable to agree within seven (7) days from the initiation of the discussion in E(3) above, the dispute shall be placed in writing by the parties, jointly signed and referred to the Company's Manager of Labour Relations and to the International Representative C.A.W. They shall have the authority to resolve the disagreement and implement any of the provisions of the foregoing paragraph, provided however, that the selection of a mutually acceptable medical specialist

will be made within ten (10) days from the date the matter was first discussed in accordance with the provisions of this paragraph. Any decision by a mutually agreed to medical specialist at any step of this procedure, shall be final and binding on the Union, the Employee involved, and the Company.

- F. Should any insurance coverages available as a result of this Agreement be provided at any future date by reason of provincial or federal legislation (except death benefits provided under CPP or QPP) the Company will not be required to duplicate such coverage but if necessary, will supplement that coverage to ensure continuation of the same benefits provided by this Agreement.
- G. Should a Retired Employee or Surviving Spouse relocate outside the Province of Ontario, it is the intention of the Company to continue such benefits as are provided to Retired Employees or surviving Spouses remaining in Ontario, but only to the extent and in the amounts as provided for Retired Employees and Surviving Spouses resident in the Province of Ontario.

The Company may, in lieu of providing such benefits, pay to the Retired Employee or Surviving Spouse, the amount of premium which would otherwise have been paid had the Retired Employee or Surviving Spouse remain a resident of the Province of Ontario.

Should a qualified person incur any hospital, medical, surgical, drug or dental expense outside of Ontario for which reimbursement in whole or in part would have been made under this Plan if the expense had been incurred in Ontario, such expense shall be considered as having been incurred in Ontario for the purpose of possible reimbursement under this Plan only if it resulted from required emergency medical treatment or from medical services rendered by a legally

licensed physician or dentist to whom the qualified person was referred by a physician or dentist legally licensed in Ontario.

#### **H. Notice and Proof of Claim**

These provisions apply to all claims other than claims under the Life Insurance, Section III, or the Transition and Bridge, Section V, Dependent Life Insurance, Section VII, Optional Life, Section VI. Written notice of any event on which a claim may be based must be given to the insurance carrier within thirty days after the date of such event or in the case of weekly indemnity claims within thirty(30) days after benefits in respect thereto commence to accrue. Notice to the Company will be deemed to be notice to the insurance carrier. Proof of the event must be furnished to the insurance carrier not later than ninety days after the date of the event and in the case of a claim for weekly indemnity insurance benefits or Hospital Expense Insurance Benefits, not later than ninety days after the termination of the period for which such benefits are payable. Proof for Extended Disability Income Insurance must be furnished not later than six months after benefits in respect thereto commence to accrue.

The insurance carrier may require, as part of the proof of claim, itemized bills and reports from attending physicians, surgeons and hospitals, and duly certified copies of hospital records.

Failure to furnish proof within the time provided herein, shall not invalidate any claim if it shall be shown that it was not reasonably possible to give such proof within such time and that such proof was given as soon as was reasonably possible.

The insurance carrier shall have the right and opportunity to have a physician designated by it examine the person of the Employee or Dependent, as the case may be, when and so often as it may reasonably require while benefit is claimed on

account of such employee or Dependent. In the event of a death claim under the Accidental Death and dismemberment Insurance, the insurance carrier shall have the right and opportunity to examine the body and make an autopsy unless forbidden by law.

No action or proceeding against the insurance carrier for recovery hereunder shall be commenced within sixty days after proof of claim has been filed in accordance with the above requirements, nor shall such action be brought at all unless brought within two years from the expiration of the time within which proof of claim is required, or three years in the event of a Dental or Extended Disability Income claim.

#### **I. Claims Procedure**

##### **1. General**

Weekly indemnity claim forms are available in the Benefits Office. Situations which may also involve Extended Disability Benefit claims will also be processed by the Benefits Office.

All other claim forms are available in the Personnel Office

##### **2. Insurance Other Than Dental**

When a claim for benefits under the Plan occurs, the Employee should obtain a claim form. Where prenotification to the insurance carrier is a factor, the Employee will be asked to complete a portion of the weekly indemnity claim form in the Benefits Office and a photocopy will be taken and forwarded to the insurance carrier.

Proof of the event, a properly completed claim form must be in the insurance carrier's possession in accordance with the Notice and Proof of Claim provisions covered in item H of this section.

All receipts which may be required to support the claim of an insured person, must be forwarded to the insurance carrier within 12 months of the date such expenses were incurred.

In some instances, the forms will have to be taken to your doctor for completion.

Submission of all documentation to the Company will be deemed to be submission to the insurance carrier.

Failure to furnish proof within the time provided herein, shall not invalidate any claim if it shall be shown that it was not reasonably possible to give such proof within such time and that such proof was given as soon as was reasonably possible.

Eligible expenses incurred prior to the date of termination must be submitted by the terminated employee to the insurance carrier in accordance with the Notice and Proof of Claim provisions covered in item H of this section.

### 3. Dental

To facilitate the payments of claims, the claim form includes an assignment statement whereby the insurance carrier will pay the dentist direct.

The dentist, however, may not wish to accept the assignment. You may be required to pay before you leave or the dentist will send you a bill in due course. In either situation, make sure the dentist completes his portion of the claim form. Either the dentist or yourself must mail the completed claim form to the insurance carrier.

In the event that the dentist estimates that a course of treatment will involve charges of \$200.00 or more, the claim form should be completed as an estimate of required services and charges and returned to the insurance carrier for "predetermination" of benefits as defined in Section X, Dental Expense

benefit. Emergency treatment is an exception to this rule.

Proof of the event, a properly completed claim form, must be in the insurance carrier's possession within 90 days of the event or within 90 days of the date benefits commence to accrue.

Failure to furnish proof within the time provided herein, shall not invalidate any claim if it shall be shown that it was not reasonably possible to give such proof within such time and that such proof was given as soon as was reasonably possible.

### **SECTION XIII – CONTINUATION OF COVERAGE**

If an employee who has insurance coverage under this plan is laid off, insurance coverage will continue as outlined below;

1. Weekly Indemnity and Extended Disability coverage will terminate on the last day worked.
2. Dental coverage will terminate at the end of the month following the month layoff.
3. All other insurance coverages will terminate at the end of the month of layoff, except for OHIP which is explained in note 1 of the Continuation of Coverage Chart.

However, certain coverages as per the Continuation of Coverage Chart shall be provided for a laid off employee without cost to him during a layoff, meeting the conditions of Article 1, Section 1.02 of the Supplementary Unemployment Benefit Plan.

Such coverage will be provided on the basis of the greater of:

- a) the period determined in accordance with the table below,  
or

- b) the number of months as determined from the number of weeks of entitlement to Supplementary Unemployment Benefits at the time of layoff.

<u>Years of Seniority</u>	<u>Months Entitlement</u>
Less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 or more	12

Continuation of coverage in all other cases will be in accordance with the Continuation of Coverage Chart attached hereto.



## SECTION XI – CONTINUATION OF COVERAGE

The following charts indicate the provision of Continuation of Coverage under this Insurance Plan.

Status	Life Insurance	Accidental Death & Dismemberment	Transition and Bridge Survivor Income
<b>Indefinite Layoff</b>	Company paid to end of month of layoff plus the number of months of SUB entitlement at the time of layoff; OR Up to twelve months according to seniority, whichever is greater.	Company paid to end of month of layoff plus the number of months of SUB entitlement at the time of layoff; OR Up to twelve months according to seniority, whichever is greater.	Company paid to end of month of layoff plus the number of months of SUB entitlement at the time of layoff; OR Up to twelve months according to seniority, whichever is greater.
<b>Quits and Terminations (excluding retirement)</b>	Terminates last day worked plus 31 day conversion privilege.	Terminates last day worked.	Terminates last day worked.
<b>Vacation</b>	Company paid during approved vacation period.	Company paid during approved vacation period.	Company paid during approved vacation period.
<b>Personal Leave of Absence of Up to 36 Days</b>	Company paid to maximum of 30 days after last day worked.	Company paid to maximum of 30 days after last day worked.	Company paid to maximum of 30 days after last day worked.
<b>Sick Leave (illness excluding pregnancy)</b>	Company paid for period of disability not exceeding employee's length of seniority as of last day worked.	Company paid for period of disability not exceeding employee's length of seniority as of last day worked.	Company paid for period of disability not exceeding employee's length of seniority as of last day worked.
<b>Public Office Leave of Absence</b>	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).

<b>Status</b>	<b>Life Insurance</b>	<b>Accidental Death &amp; Dismemberment</b>	<b>Transition and Bridge Survivor Income</b>
<b>International Union Leave of Absence</b>	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).
<b>Local Union Leave of Absence Except for President and Financial Secretary</b>	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked; Employee may continue coverage provided premium is paid as per note (2).
<b>Local Union Leave for the President and Financial Secretary</b>	Company paid.	Company paid.	Company paid.
<b>Highway Traffic Violation Leave of Absence</b>	Terminates for probationary employee on last day worked. Seniority employee - company paid to maximum of 30 days after last day worked.	Terminates for probationary employee on last day worked. Seniority employee - company paid to maximum of 30 days after last day worked.	Terminates For probationary employee on last day worked. Seniority employee - company paid to maximum of 30 days after last day worked.
<b>Military Leave of Absence</b>	Terminates last day worked.	Terminates last day worked.	Terminates last day worked
<b>Pregnancy</b>	Coverage continues to the end of the month in which the pregnancy leave expires.	Coverage continues to the end of the month in which the pregnancy leave expires.	Coverage continues to the end of the month in which the pregnancy leave expires.
<b>Footnote No. 2 See page 104</b>			

The following charts indicate the provision of Continuation of Coverage under this Insurance Plan.

status	Weekly Indemnity	Extended Liability	Vision, Drug, Nursing Home, Supplemental Hospital, Chronic Care, Ambulance (see Notes 4 & 5 ) Out of Province
<b>Indefinite Layoff</b>	Terminates last day worked; any benefits due under the plan are paid. See note (7).	Terminates last day worked; any benefits due under the plan are paid. See note (7).	Company paid to end of month of layoff plus the number of months of SUB entitlement at the time of layoff, OR Up to twelve months according to seniority, whichever is greater.
<b>Quits and Terminations (excluding retirement)</b>	Terminates last day worked.	Terminates last day worked. See note (8).	Terminates last day worked. See note (8).
<b>Personal Leave of Absence of up to 30 days</b>	Terminates last day worked.	Terminates last day worked.	Company paid to maximum of 30 days after last day worked.
<b>Sick Leave (illness excluding pregnancy)</b>	Terminates last day worked; any benefits due under the plan are paid.	Terminates last day worked; any benefits due under the plan are paid.	Company paid for period of disability not exceeding employee's length of service as of last day worked.
<b>Public Office Leave of Absence</b>	Terminates last day worked.	Terminates last day worked.	Terminates last day worked. Employee may continue coverage provided premium is paid as per note (2).

<b>status</b>	<b>Weekly Indemnity</b>	<b>Extended Liability</b>	<b>Vision, Drug, Nursing Home, Supplemental Hospital, Chronic Care, Ambulance (see Notes 4 &amp; 5 ) Out of Province</b>
<b>International Union Leave of Absence</b>	Terminates last day worked.	Terminates last day worked.	Terminates last day worked. Employee may continue coverage provided premium is paid as per note (2).
<b>Local Union Leave of Absence Except for President and Financial Secretary</b>	Terminates last day worked.	Terminates last day worked.	Terminates last day worked; employee may continue coverage provided premium is paid as per note (2).
<b>Local Union Leave For The President and Financial Secretary</b>	Company paid.	Company paid.	Company paid.
<b>Highway Traffic Violation Leave of Absence</b>	Terminates for probationary employee on last day worked. Seniority employee's coverage terminates last day worked.	Terminates for probationary employee on last day worked. Seniority employee's coverage terminates last day worked.	Terminates for probationary employee on last day worked. Seniority employee company paid to maximum of 30 days after last day worked.
<b>Education Leave of Absence</b>	Terminates last day worked.	Terminates last day worked.	Terminates last day worked. Employee may continue coverage provided premium is paid as per note (2).
<b>Military Leave of Absence</b>	Terminates last day worked	Terminates last day worked	Terminates last day worked
<b>Pregnancy</b>	Terminates. See note (3).	Terminates. See note (3).	Coverage continues to the end of the month in which the pregnancy leave expires.
<b>Footnotes No. 2,3,4,5 &amp; 8 See pages 104 &amp; 105</b>			

The following charts indicate the provision of Continuation of Coverage under this Insurance Plan.

<b>Status</b>	<b>O.H.I.P. (See notes 4 &amp; 5)</b>	<b>Dental (See note 5)</b>	<b>Hearing Aid (see notes 4 &amp; 5)</b>
<b>Indefinite Layoff</b>	Company paid 1 <sup>st</sup> end of month of layoff plus the number of months of SUB entitlement at the time of layoff; OR Up to twelve months according to seniority, whichever is greater.	Company paid to end of month following the month of layoff.	Company paid to end of month of layoff plus the number of months of SUB entitlement at the time of layoff; OR Up to twelve months according to seniority, whichever is greater.
<b>Quits and Terminations (excluding retirement)</b>	Terminates per note (1) See note (8).	Terminates per note (1) See note (8).	Terminates per note (1) See note (8).
<b>Vacation</b>	Company paid during approved vacation period.	Company paid during approved vacation period.	Company paid during approved vacation period.
<b>Personal Leave of Absence of up to 30 days</b>	Company paid to maximum of 30 days after last day worked.	Company paid to maximum of 30 days after last day worked.	Company paid to maximum of 30 days after last day worked.
<b>Sick Leave (illness excluding pregnancy)</b>	Company paid for period of disability not exceeding employee's length of seniority as of last day worked	See note (6).	Company paid for period of disability not exceeding employee's length of seniority as of last day worked
<b>Public Office Leave of Absence</b>	Terminates per note (1), employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked.	Terminates last day worked.
<b>International Union Leave of Absence</b>	Terminates per note (1), employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked.	Terminates last day worked.

The following charts indicate the provision of Continuation of Coverage under this Insurance Plan.

Status	O.H.I.P. (See notes 4 & 5)	Dental (See note 5)	Hearing Aid (see notes 4 & 5)
<b>Local Union Leave of Absence Except for President and Financial Secretary</b>	Terminates per note (1). employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked.	Terminates last day worked.
<b>Local Union Leave for The President and Financial Secretary</b>	Company paid.	Company paid.	Company paid.
<b>Highway Traffic violation Leave or Absence</b>	Terminates for probationary employee as per note (1). Seniority employee company paid to maximum of 30 days after last day worked.	Terminates for probationary employee as per note (1). Seniority employee company paid to maximum of 30 days after last day worked.	Terminates for probationary employee as per note (1). Seniority employee company paid to maximum of 30 days after last day worked.
<b>Education Leave of Absence</b>	Terminates per note (1), employee may continue coverage provided premium is paid as per note (2).	Terminates last day worked.	Terminates last day worked.
<b>Military Leave of Absence</b>	Terminates per note (1).	Terminates per note (1).	Terminates per note (1).
<b>Pregnancy</b>	Coverage continues to the end of the month in which the pregnancy leave expires.	Coverage continues to the end of the month in which the pregnancy leave expires.	Coverage continues to the end of the month in which the pregnancy leave expires.
<b>Footnotes No. 1, 2, 4, 5, 6 &amp; 8 See pages 104 &amp; 105</b>			

The following charts indicate the provision of Continuation of Coverage under this Insurance Plan.

Status	Prosthetic Appliances and Durable Medical Equipment (See notes 4 & 5)
<b>Indefinite Layoff</b>	Company paid to the end of month of layoff plus those months of SUB entitlement at the time of layoff. OR Up to twelve months according to seniority, whichever is greater.
<b>Quits and Terminations</b> (excluding retirement)	Terminates last day worked. See note (8).
Vacation	Company paid during approved vacation period.
<b>Personal Leave of Absence of Up to 30 days</b>	Company paid to maximum of 30 days after last day worked.
<b>Sick Leave (illness</b> excluding pregnancy)	Company paid for period of disability not exceeding employee's length of seniority as of last day worked.
<b>Public Office Leave of Absence</b>	Terminates last day worked.
<b>International Union Leave of Absence</b>	Terminates last day worked.
<b>Local Union Leave of Absence</b> Except for the President and Financial Secretary	Terminates last day worked.
<b>Local Union Leave For The President</b> and Financial Secretary	Company paid.
<b>Highway Traffic Violation Leave of Absence</b>	Terminates for probationary employee on last day worked. Seniority employee Company paid to maximum of 30 days after last day worked.
Education Leave of Absence	Terminates last day worked.
<b>Military Leave of Absence</b>	Terminates last day worked.
Pregnancy	Coverage continues to the end of the month in which the pregnancy leave expires.
Footnotes 1,2,4,5,6 and 8. See pages 104 & 105	

**FOOTNOTES:**

1. Last Day Worked (1st through 14th), terminates two months after the last month at work.
2. Last Day Worked (15th through 31st), terminates three months after the last month at work.
3. Employees carrying benefits at their own expense must submit the full monthly premium to the Company by the 10th of each month.
4. Maternity benefits are payable under the Employment Insurance Act during the approved leave of absence. Upon expiration of the approved leave of absence, Weekly Indemnity Benefits are payable through the insurance carrier in respect to any period of disability leave related to childbirth or pregnancy. Upon expiration of the Weekly Indemnity Benefit, Extended Disability Benefits will be paid if applicable.
5. Company paid, providing the employee was eligible for such coverage immediately preceding his death, for a "Class A" survivor (surviving spouse and eligible dependents) as defined in Section V of this Plan while receiving Transition Survivor Income Benefit and/or Bridge Survivor Income Benefit. Effective May 1, 1988 all Surviving Spouses who continue to be eligible for monthly survivor income benefits, will continue to have Company paid health care coverage for the duration of continuing eligibility for monthly survivor income benefits.
6. Company paid for a surviving spouse and eligible dependents of an employee whose loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place pro-



vided, however, such coverages shall not include Dental or Hearing Aid if employee has less than one year of seniority at date of death, and shall terminate upon the remarriage or death of the surviving spouse. Surviving Spouse and eligible dependents as used herein are those who immediately preceding the death of the employee would have, but for such death, qualified under this Plan as a Spouse per Section 1(k) and Dependent as per section 1(m).

7. Effective for Sick Leave (illness excluding pregnancy), Company paid for Employee and eligible dependents for period not exceeding Employee's length of seniority as of last day worked.
8. See Section VIII B. for Reinstated Weekly Indemnity coverage.
9. An Employee discharged by the Company may continue coverage under this insurance plan at his own expense while he is seeking to have his seniority re-instated through the grievance procedure. The full monthly premium must be submitted to the Company by the 10<sup>th</sup> of each month. If the Employee is reinstated through the grievance procedure, the terms and conditions of a reinstatement will determine whether or not he receives no refund, a pro-rata or full refund of premiums paid.

#### **SECTION XIV – LETTERS OF UNDERSTANDING**

##### **#1- Prescription Drug Expense Benefit**

The purpose of this letter is to clarify the Company's position with respect to the payment of drug expenses. It is not the intent of the Plan to pay for prescribed drugs which fall outside the term "reasonable and customary", for example, the individual's purchase of drugs projected out to six (6) months' supply; with the exception of categories of specified maintenance drugs which fall into and

are in accordance with eligible and covered expenses. The only other exception to the three (3) month supply are those drugs for which the cost dictates that preparation and administration of the claim would exceed the cost of the total purchase and for that purpose, the insurance carrier has the option to review said claim.

**#2 - Pro-Rated Orthodontic Benefits**

The following example will illustrate the intent of the language as proposed in Section X Dental Expense Benefit, Orthodontics Limitations Item #24.

Example:

Assume the total of the Orthodontic Procedure expense is \$1,200.00. The eligible expenses as covered under the Dental Plan are \$600 (50% of the total expense). Treatment commenced on April 1, and the treatment will continue on to July of the following year. The appliance is inserted on May 1, and the eligibility in Section II Item #3 of the Supplemental Agreement are satisfied November 1, in the same year as the treatment commenced.

The Dental Benefit pays \$120.00 per quarter  
(\$40.00 per month X 3 = \$120.00)

\$120.00 (May, June, July)

\$120.00 (August, September, October)

\$120.00 (November, December, January)

\$120.00 (February, March, April ) 3 X \$120.00

\$120.00 (May, June, July )

\$600.00 \$360.00

The accrued benefits for the remaining period is \$360.00

The Plan would pay the \$360.00 in accordance with the new language.

### **#3 - Provincial Drug Benefit Programs**

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 Company Insurance Plan are required to present their prescriptions for dispensing under the various Provincial Drug Benefit Programs. Benefits shall continue to be provided for covered prescription drug expenses under the Company Insurance Plan to the extent that benefit coverage for such expenses is not available under the various Provincial Drug Benefit Programs.

### **#4 - Lump Sum Settlements - Extended Disability**

This letter is to clarify the allocation of lump sum payments received from the Worker's Compensation Board under the prorating provisions of the Extended Disability Plan. All lump sum payments are to be allocated only for the period following the date Extended Disability benefits commenced.

Example:

April 1984, employee receives a permanent partial disability lump sum payment award from the Workers' Compensation Board of \$10,000. Age at the time of the award was 42. June 1985, the employee applies for Extended Disability Benefits. In determining the amount of benefit payable, the \$10,000 will be allocated in the following manner--

65 years - 42 years = 23 years

\$10,000 divided by 23 = 434.78/year = \$36.23 per month.

Monthly Extended Disability Benefits will be reduced by \$36.23 per month for the period of time the employee receives the benefit.

This will ensure that the monthly Extended Disability Benefit together with all such other disability or retirement income benefits will not exceed 85% of the employee's earned monthly income prior the commencement of total disability.

**#5 - Weekly Indemnity/Vacation Offset**

Any employee who was denied a weekly indemnity benefit as per Article IV - Limitations (B) and subsequently retires or continues on L.T.D. without returning to work during the vacation year, will receive a payment equal to the amount of benefit denied.

**#6 -Weekly Indemnity--Accident Benefits**

The purpose of this letter is to clarify the Company's intention with regard to the accident benefits contained within the Weekly Indemnity Plan.

The term "promptly" shall be applied as follows:

Should an employee sustain an accidental disability, and the employee seeks medical attention for the accidental disability within seven (7) days following the accident, that employee will receive benefits commencing with the date of accident.

Should the employee fail to seek medical attention within seven (7) days, benefits will commence with the first day of treatment.

**#7 - Subrogation**

In the event of any payment to a covered employee under any of the coverages contained in this Insurance Agreement dated April

22, 2000 for which the employee may have a cause of action against a third party, the insurance carrier will have its interest subrogated in this regard. This will entitle the carrier to be reimbursed for any amount that the Employee recovers from the third party, not exceeding the amount reimbursed by the carrier.

The Employee will execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights. The Employee may take no action which may prejudice the subrogation rights.

The subrogation rights referred to above, do not apply to an individual plan purchased by the Employee specifically for wage loss replacement.

#### **#8 - In Home Nursing Care**

The Company agrees to arrange to provide a benefit for In- Home Nursing Care effective April 25, 1988. Such benefit will be available when there is a clear medical necessity for the nursing services of a Graduate Registered Nurse (R.N.), **or effective June 1, 2000, a Registered Practical Nurse**, to attend to a covered person in the person's home.

Reimbursement under such coverage will be the amount charged to the patient for such service up to a maximum of two (2) hours per day, **four (4) hours per day effective June 1, 2000 up to an annual maximum of \$7,500.00**, provided that:

- a) the nursing care is prescribed by a physician who must specify:
  - 1) the level of nursing skill required,
  - 2) the amount of time in each day required for nursing services,

- 3) the approximate number of weeks or months for which the nursing care is required,
- b) the registered nurse is not a relative of the patient,
  - c) the registered nurse is currently registered with the appropriate Provincial Nursing Association when the services are performed.
  - d) the patient is not otherwise confined in another institution (i.e. hospital, nursing home, home for the aged, etc.),
  - e) the rate charged for nursing care does not exceed the usual, reasonable and customary charge as set by the largest nursing employer registry in Ontario, and
  - f) all applicable provincial or federal government assistance (based on age, disability, income, etc.) is applied for.

**#9 - Provider Service For Prescription Eyewear and Drugs**

During the recent contract negotiations, the Company and the Union agreed to investigate, consider and upon mutual agreement, engage in activities that may have potential cost savings for our prescription eyewear and prescription drug benefit plans.

The Company agrees there will be no change from the present prescription benefits plan to provider service plans until such time as the Company and Union mutually agree to do so.

**#10 - Long Term Disability Special Payment**

During these negotiations, the Union and the Company discussed the income of certain employees who are in receipt of Long Term Disability Benefits.

The Company has agreed to review the income of certain disabled employees who are receiving Long Term Disability Benefits. This review will include a determination of the total monthly income which will include any Budd Canada Pension Benefit, Long Term Disability Benefit, CPP/QPP Benefits and any Workers' Compensation Benefits received.

The Company agrees to pay to these employees, the difference between the total of these benefits and \$1200.00 per month, increased to \$1,400.00 effective June 1, 1997. This special payment will be effective beginning August 1, 1994 and will be made from the Extended Disability Benefit Plan. This payment will continue as long as the employee is entitled to Extended Disability Benefits or until future increases in the CPP/QPP, the Pension Plan, Extended Disability Benefits or the Workers' Compensation Benefits increase the employee's gross monthly income beyond \$1,200.00 and effective June 1, 1997 beyond \$1,400.00.

It is further understood that the employee will be required to provide either a copy of a current CPP/QPP cheque statement or a signed Authorization to Communicate Information Form by February 1, 1995. Failure to provide this documentation will cause the special payment to be discontinued and any overpayment will be recovered.

**#11 - Special Assignment of Workers' Compensation Benefits**

If an employee while insured under this section of the plan becomes totally disabled as a result of a compensable accident or occupational illness for which he may be entitled to receive benefits under the Workers' Compensation Act, he may apply for interim payments of Weekly Indemnity Benefits subject to the following provisions.

**#12 - Worker's Compensation Denial**

This is to advise you that employees who initially apply for Worker's Compensation Benefits which are subsequently denied, will be paid disability benefits provided they apply and provide satisfactory proof of disability to the Company within sixty (60) days of such denial.

**#13 - Dependent Coverage**

Spouse -- may be retained on Benefit Coverage where a legal separation is in force and there are no other benefits available. Should there be other benefits available, the Employee will notify Human Resources and only those benefits that are not available to the Spouse will be made available. The Employee may retain only one (1) spouse on the benefits.

When children do not reside with the Employee, they will continue to be covered for benefits that are not available under the spouse's plan or plans as per the definition of Dependent Children in the Supplemental Agreement.

Coordination of benefits will apply.

**#14 - Out of Province Assistance**

This will confirm our understanding reached during the 1997 negotiations with respect to the out-of-province hospital, surgical, medical expense benefits.

It was agreed that such out-of-province coverage will continue to be supplemented to include special assistance regarding facilitating claims payment and funds transfers. Such assistance will provide that the payment to a provider (i.e. physician, hospital or clinic) for hospital, surgical, medical services covered under the patient's out-of-province hospital, surgical medical expense benefits plan and provincial health insurance



plan will be guaranteed by the Carrier when the provider or covered patient calls a pre-arranged toll-free number. In addition, in cases where a provider will not agree to bill the patient's out-of-province hospital, surgical medical expense benefits plan or the Ontario Health Insurance Plan for covered services provided above, the Carrier will arrange for a direct payment of the eligible hospital, surgical, medical expenses to the provider or directly to the patient if such patient incurred eligible hospital, surgical, medical expenses resulting in financial hardship to the patient. Such direct payment to either the provider or the patient will be subject to proper claims submission by the patient.

It was also agreed that a new out-of-province plan brochure that details all the services available to travellers through World Access Canada (i.e. the international medical service organization through which the Carrier has arranged the facilitating of claims payment and funds transfers described above), will be developed and distributed to all employees, retired employees and surviving spouses.

In particular, such brochure will encourage patients to contact World Access Canada whenever possible prior to incurring hospital, surgical, medical expenses so that the patient can confirm that the services they are requesting will be a covered medical expense under their out-of-province plan. A multilingual World Access Canada Assistance Specialist can provide direction to the best medical facility or physician which can provide the appropriate care. In serious medical cases, World Access Canada physicians will provide Case Management (i.e. following the patient's medical progress to ensure that they are receiving the best available medical treatment and keeping in constant communication with the patient's family, family physician and treating physician). Patients who are hospitalized for treatment of an accidental injury or a medical emergency, will be advised in the brochure to contact World Access Canada if their in-hospital treatment

will continue beyond 5 days so that the World Access Canada physician in consultation with the treating physician and the patient's family physician can determine if it would be appropriate for World Access Canada to arrange for air or land ambulance repatriation for the patient (and the patient's accompanying spouse) to a hospital in the patient's province of residence for such continuing treatment.

**#15 – Company-Paid Benefits When Placed By WSIB On Rehab Job Where Employer Does Not Provide Similar Benefits**

The parties agreed during negotiations to continue to provide Company-paid benefits (as per agreement re: amounts and duration), to those on disability leave who have been placed by the Worker's Compensation Board in a rehabilitation job where that employer does not provide similar benefits.

**Eligibility**

- a) All employees who are insured for Sickness and Accident Benefits in accordance with Section II "Eligibility" of this Supplemental Agreement, who are absent from work as a result of compensable injury or illness and who have not received Workers' Compensation Benefits for seven (7) or more working days.
- b) Satisfactory medical evidence of total disability resulting from illness or injury that prevents the employee from engaging in his regular occupation, must be provided to the insurance carrier or the Company.

In the event of a dispute regarding the medical evidence, the insurance carrier shall have sole discretion in referring the employee for further medical evaluation in accordance with the provisions of Subsection "E" of Section XII, General Provisions.

- c) The following forms will be completed by the employee before the commencement of benefits, but in any event, not prior to the fourteenth (14th) working day following absence from work.
  - (1) Special Assignment
  - (2) Weekly Indemnity Claim Form
  - (3) Workers' Compensation Board Assignment
  - (4) Payroll Deduction Form.
  
- d) In the event the employee does not inform the Company of the date and circumstances regarding his W.C.B. claim, the fourteen (14) working days shall commence with the date the employee properly reports the accident or illness to the Company.

This Special Assignment becomes effective the date the employee completes the application for benefits. Normal waiting periods will exist where applicable. In no event will a Special Assignment be authorized where the employee has returned to work.. However, if from the time the employee completes the application for benefits and returns to work within one week, he shall receive one Weekly Indemnity Benefit.

**Repayment**

In those situations where the employee receives both the Special Assignment Benefit and his Workers' Compensation Benefit and the Weekly Indemnity Benefit is not reimbursed promptly, the following will apply.

- a) The employee will make suitable arrangements to repay the insurance carrier directly or through payroll deduction.
  
- b) If no repayment can be obtained, the outstanding monies will be deducted from any future Weekly Indemnity payments, or any other claims filed by the employee against the carrier, or from future wages payable to the employee.

PREFACE TO  
SUPPLEMENTAL UNEMPLOYMENT  
BENEFIT PLAN AGREEMENT

This is intended to be a guide to the Supplemental Unemployment Benefit Plan Agreement, but answers some of the more frequently asked questions.

More detailed information may be obtained from your Supervisor, the Personnel Department or your Union Representative.

Part 1

1. What is the Supplemental Unemployment Benefit Plan?

The Supplemental Unemployment Benefit Plan is a Plan negotiated and agreed to by your Company and your Union, and maintained by Company contributions.

2. What does it provide and how?

The Plan provides for weekly payments from a fund established by your Company. The amount of the payment from the fund is the lesser of:

a) An amount which when added to your Employment Insurance Payment and other compensation totals 75% of your weekly straight time pay plus \$1.50 for each of not more than 4 dependents.

or

b) **\$160.00** for layoffs occurring on or after April **22, 2000** plus \$1.50 for each of not more than 4 dependents, and **\$270.00** for layoffs occurring on or after April **22, 2000**) for any week with respect to which the employee is not receiving an Employment Insurance Benefit because of specific reasons stated in the plan.

3. What is a dependent?

Any person so recognized by the Minister of National Revenue--such as wife, husband, or child. The Company shall be entitled to rely upon the official form filed by the Employee with the Company for income tax purposes.

Part 2

Who is eligible for benefit?

Generally any employee in the Bargaining Unit who is on a qualifying layoff and

- a) has at least one (1) year of seniority
- b) has Credit Units to his credit
- c) is eligible for an Employment Insurance Benefit

In certain circumstances you may not be eligible for E.I.C. benefits but may still be entitled to S.U.B.

2. What must I do if I am laid off?

When you are notified of layoff, you must immediately register with the E.I.C. At the time of registration, you must indicate that you are eligible for Company S.U.B. Payments. If you do not indicate this, your payment will be unnecessarily delayed.

3. To apply for S.U.B. Benefit must I show proof that I have received Employment Insurance Benefit?

No. If **you** have registered with E.I.C. and are eligible for S.U.B. payments, and have indicated to the E.I.C. that you will be receiving S.U.B. payments, your Regular Benefit will be processed automatically by the Company upon receipt from the E.I.C. of their report of Employment Insurance Payments. It is best, however, in order to protect yourself from any errors which might occur, to always keep your cheque stub from E.I.C. as proof of having received an E.I.C. payment.

4. Am I eligible if I quit my job or because I am dismissed for cause?

No.

5. Am I eligible if I am out of work due to strike?

No.

6. Am I eligible if I am not working due to illness, injury, or quarantine?

In general, No. You must be available for work. There are, however, certain instances which will qualify you for S.U.B.

7. Am I eligible if I have a pension or some similar private benefit plan or retirement benefit?

Yes, under certain circumstances.

### **Part 3**

1. When do I receive benefit?

Generally, you are not eligible to receive benefit with respect to the first week of your Employment Insurance "Waiting Period". Subsequent weeks, including the balance of any E.I.C. "Waiting Period" will be paid as soon as possible.

2. May I claim benefit for any week in which I work?

Yes, if you work part time. However, your earnings in excess of the greater of the allowable amount permitted under the Employment Insurance or 20% of your earnings will be subtracted from your benefit.

3. How is the amount of benefit determined?

Generally, the amount is determined by whether or not you have dependents and the amount of your Employment

Insurance Benefit (see also the answer to question 2, Part 1). Wages rates for purposes of calculating S.U.B. payments will be based on your average Prevailing Hourly Rate during the eight (8) full pay periods immediately preceding the date of your layoff.

4. Are Benefit Payments subject to Taxation?

Yes. The amount of Benefit you have received will be given you on a Statement of Earnings Form, at the same time as you receive your Statement of Earnings Form for the wages you earned during the previous year.

5. How long will I receive benefit?

That depends on your Credited Service. At the end of one year of continuous service **you** would have 26 credit units; this can go up to a maximum of 52 credit units.

6. How do I get credit units?

They are credited to you at the rate of (.50) one-half a credit unit for each pay period you are in the bargaining Unit and for which **you** drew pay. Furthermore, effective with the third Sunday in July, 1981 and the third Sunday in each July thereafter, Employees who are on the Active Employment Rolls with at least one year Seniority as of the aforementioned dates are entitled to an adjustment in Credit Units to a maximum of 52 units based on a formula. Full particulars of this addition to the S.U.B. Plan are contained in Article 8, Guaranteed Annual Income Credits.

7. How are units cancelled?

Units are cancelled each week for which you draw benefit and in accordance with the tables and effective dates thereof as shown in Article 3, Section 3.04(a) of the Agreement. The amount could vary from(1) to (20.00) twenty credit units per benefit week.

8. What happens if I do not have enough Credit Units for a full week of benefit?

A full benefit is paid as long as you have remaining unused Credit Units or a remaining unused fraction of a Credit Unit.

9. Is there a penalty for misrepresenting my claim?

Yes. It is most important that you consider carefully all answers given to the Administrator, and E.I.C. The penalty for false claims is the loss of ALL Credit Units. You may also be subject to heavy fines or jail sentence for deliberately falsifying statements given to E.I.C.

#### AUTOMATIC SHORT WEEK BENEFIT PLAN

1. Definition

“Short Work Week” means a work week during which an employee has less than forty (40) compensated or available hours and:

- (a) during which he performs some work for the Company.
- (b) for which he receives some jury duty pay or bereavement pay from the Company; or
- (c) for which, he receives only holiday pay and for the immediately preceding work week, he either received an Automatic Short Work Week benefit or had forty (40) or more compensated and available hours.

2. Eligibility

- (a) You must have at least one (1) year of seniority as of the last day of such week and you must be on a qualifying layoff, i.e.-due to such causes as:
  - (1) machine breakdown
  - (2) power failure
  - (3) material shortage



- (4) defective material
- (5) management decision
- (6) reduced production schedules

(b) If you have not been offered 40 hours work due to any of the above reasons, you will be eligible for a short week payment. If, however, you were offered at least a total of 40 hours work (overtime included, subject to certain limitations) and worked it, or for some reason turned down the opportunity to work a qualifying 40 hours, you will not be eligible for a short week payment.

### 3. Amount of Benefit

For all hours not compensated for or made available **due to** qualifying layoffs as per (2) you will receive 80% of your Prevailing Hourly Rate applicable to the week in which the short week occurs.

If you are eligible for and/or receive a E.I.C. payment, you cannot receive a short work week payment from the Company for that week.

### 4. Application for Benefits

You are not required to register anywhere for shortweek benefits. If you are eligible, your foreman will initiate the necessary paperwork to determine the amount of your short week **benefit** which will **be** automatically applied to your pay.

**AGREEMENT CONCERNING  
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN,  
THE SEPARATION PAYMENT PLAN AND  
THE AUTOMATIC SHORT WEEK BENEFIT PLAN**

This Agreement made at Kitchener, Ontario, this **22nd day of April, 2000.**

BETWEEN:

BUDD CANADA INC.  
(hereinafter called the "Company")

and

THE NATIONAL UNION,  
NATIONAL AUTOMOBILE, AEROSPACE  
TRANSPORTATION AND GENERAL WORKERS UNION  
OF CANADA (CAW-CANADA)  
AND ITS LOCAL 145 1  
(hereinafter called the "Union")

WITNESSETH:

The parties hereto agree as follows:

**Part A**

**1.01 Continuation and Amendment of the Plan**

- a) This agreement covering the Supplemental Unemployment Benefit Plan attached as Part B, the Separation Payment Plan attached as Part D, hereinafter referred to as the Supplemental Unemployment Benefit Plan, the Separation Payment Plan and the Automatic Short Week Benefit Plan, shall become effective on the first Monday immediately following the effective date of the Collective Agreement dated **April 22, 2000.**

- b) The Company shall continue to maintain the Supplemental Unemployment Benefit Plan referred to in the Collective Agreement between the parties dated **April 22, 2000**,

In addition, the Plan shall be amended as of the first Monday following the receipt by the Company of the rulings referred to below in section 1.05 (a), so that it shall read thereafter **as** set forth in “Part B, Supplementary Unemployment Benefit Plan”, “Part C, Separation Payment Plan” and “Part D, Automatic ShortWeek Benefit Plan”. Thereupon, the provisions of the Plan, as amended, shall be effective with respect to Weeks commencing on or after such date, notwithstanding anything to the contrary contained in the amended Plans.

- c) The Company shall maintain the Plans for the duration of this Agreement, except as otherwise provided in, and subject to the terms of, the Plans.
- d) The fiscal year of the Plans and of the Fund shall be the calendar year ending on the 31st day of December in each year.

### **1.02**

In the event that the Plan is terminated in accordance with its terms prior to the expiration date of this Agreement, the Company’s obligation to contribute to the Plan shall cease entirely and the parties shall meet forthwith to negotiate with respect to the use which shall be made of the money which the Company would otherwise be obligated to contribute under the Plan. If no agreement on the use of such money is reached within sixty (60) days from the date of such termination, commencing on the first day of the first pay period beginning after the expiry of such sixty (60) days, there shall be a general increase in the hourly wage rates in effect at that time under Appendix “A” of the Collective Bargaining Agreement in an amount equal to the straight-time per hour contribution rate then in effect to all hourly employees then in the bargaining unit, applied in the same manner as annual improvement factor increases are applied under the Collective Bargaining Agreement.

### 1.03

- a) During the term of this Agreement, neither the Company nor the Union shall request any change in deletion from or addition to the Supplemental Unemployment Benefit plan, the Separation Payment Plan and the Automatic Short Week Benefit Plan or this Agreement; or be required to bargain with respect to any provision or interpretation, of such Plans or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of such Plans or 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.
- b) Upon the Plans becoming effective all employees will be advised promptly in writing of the terms of the Plans and all persons who later become employees will be advised promptly in writing of the terms of the Plans. All employees will be advised periodically of their contingently accrued credits or will be given access to such information on request.

### 1.04 Term of Agreement: Notice to Modify or Terminate

This agreement and the Plans shall continue in effect until **April 20, 2003**. They shall be renewed automatically for successive 1 year periods thereafter unless either party shall give written notice to the other at least 2 months prior to **April 20, 2003** (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plans as of one of the dates specified in this section (it being understood, however, that the foregoing provision for automatic 1 - year renewal period shall not be construed as an endorsement by either party of the proposition that 1 year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plans shall be open to modification or amendment on **April 20, 2003** or the subsequent anniversary date, as the case may be. If either party shall desire to terminate this

Agreement, it may do so by giving written notice to the other party at least 2 months prior to **April 20, 2003** or **any** subsequent anniversary date. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plans.

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to the Vice-President and National President, **The National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)**, 205 Placer Court, Willowdale, Ontario M2H 3H9, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, to the Plant Manager, Budd Canada Inc., 1011 Homer Watson Boulevard, Kitchener, Ontario N2G 4G5, or to such other address as the Company shall furnish to the Union in writing.

#### **1.05 Governmental Rulings**

- a) The amendments to the Supplemental Unemployment Benefit Plan, Separation Payment Plan and Automatic Short Week Benefit Plan which are provided for in this Agreement shall be subject to subsequent receipt by the Company from (1) Canadian government authorities or legislation amendments permitting continuance of supplementation as defined in the Supplemental Unemployment Benefit Plan, and holding that such amendments will not have any adverse effect upon favourable rulings previously received by the Company, and (2) The Minister of National Revenue of a ruling, satisfactory to the Company, holding that the Supplemental unemployment Benefit Plan as amended is acceptable to the Minister of National Revenue as a "Registered Supplemental Unemployment Benefit Plan" under the provisions of Section 145 of the Canadian Income Tax Act.

- b) The Company shall apply promptly for the rulings described in section 1.05(a).
- c) Notwithstanding any other provision of this Agreement or of the Plans, the Company, with the consent of the Union, may, during the term of this Agreement, make revisions in the Plans not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in section 1.05(a) of this Agreement or in section 7.02 of the Supplemental Unemployment Benefit Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in the Plans.

The Company will inform the **Human Resources Canada** of any changes in the Plan within thirty days of the effective date of the change.

#### **1.06 Miscellaneous**

Notwithstanding the provisions of the Supplemental Unemployment Plan, the provisions of Article 4, Application and Determination of Eligibility for Regular Benefits and Appeal Procedures, and Article 5, Administration of the Plan, shall, to the extent practicable, be equally applicable under the Separation Payment Plan and the Automatic Short Week Benefit Plan.

In witness whereof, this Agreement is executed on behalf of each party by its duly authorized representatives on the date first appearing above.

BUDD CANADA INC.

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE NATIONAL AUTOMOBILE, AEROSPACE  
TRANSPORTATION AND GENERAL WORKERS UNION OF  
CANADA (CAW) AND ITS LOCAL 145 1

By: \_\_\_\_\_

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**PART B  
SUPPLEMENTAL UNEMPLOYMENT  
BENEFIT PLAN**

**Article 1  
ELIGIBILITY FOR BENEFITS**

**1.01 Eligibility For A Regular Benefit**

An Employee shall be eligible for a Regular Benefit for any Week beginning on or after **April 22, 2000** if with respect to such Week he:

- a) was on qualifying layoff, as described in Section 1.02 for all or part of the Week;
- b) received an Employment Insurance Benefit or was ineligible for an Employment Insurance Benefit only for one or more of the following reasons:
  - (i) he did not have prior to layoff a sufficient period of employment of sufficient earnings covered by Employment Insurance;
  - (ii) exhaustion of his Employment Insurance Benefit rights or
  - (iii) the week was a second week of an Employment Insurance "waiting period" occurring within less than fifty-two (52) weeks since his last week of an Employment Insurance "waiting period" for which he received no benefit solely because the week was a week of an Employment Insurance "waiting period";
  - (iv) he was serving an Employment Insurance "waiting period" while temporarily laid off out of line of seniority pending an adjustment of work force in accordance with

the terms of the Collective Agreement; provided, however, that this Section 1.01(b) (iv) shall not apply to model change layoffs;

(v) he was denied an Employment Insurance Benefit and it is determined, with the concurrence of Human **Resources Canada**, that under the circumstances it would be contrary to the intent of the Plan and Commission policy to deny him a Regular Benefit;

(vi) he was denied an Employment Insurance Benefit solely because of the Employment Insurance allocation to such week of earnings from a "waiting period";

c) has met any registration and reporting requirements of an employment office of the Employment Insurance Commission:

d) had to his credit a Credit Unit or fraction thereof;

e) did not receive an employment benefit under any contract or program of another employer or under any other "SUB" Plan of the Company (and was not eligible for such benefit under a contract or program of another employer with whom he had greater seniority than with the Company in which he had Credit Units which were credited earlier than his oldest Credit Units under the Plan);

f) was not eligible for an Automatic Short Week Benefit;

g) qualified for a Regular Benefit of at least \$2; and

h) has made a Regular Benefit application in accordance with procedures established by the Company hereunder and if he was ineligible for an Employment Insurance Benefit only for the reason set forth in Section 1.01(b) (ii) of this Article and is able to work, is available for work and has not failed:

- (i) to meet all registration and reporting requirements of an employment office of the Employment Insurance Commission:
- (ii) to make all efforts that a reasonable person would in order to obtain work: and
- (iii) to apply for or to accept any available work for which he is qualified in cases where he is made aware of such work by the Company or by an employment office of the Employment Insurance Commission.

#### **1.02 Conditions With Respect to Layoff**

- a) A layoff for purposes of the Plan includes any reduction in force such as a temporary layoff or model change layoff, a layoff resulting from the discontinuance of the Plant or an operation, and any layoff occurring or continuing because the Employee 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 sufficient seniority.
- b) An Employee's layoff for all or part of any Week shall be deemed qualifying for Plan purposes only if:
  - (i) such layoff was from the Bargaining Unit;
  - (ii) such layoff 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 elsewhere.
    - 2. any fault attributable to the Employee,

3. any war or hostile act of a foreign power (but not government regulation or controls connected therewith);
4. sabotage or insurrection, or
5. any Act of God; provided, however, that this Section 1.02 (b)

(ii) (5) shall not apply to any Short Week or to the first two consecutive full weeks of layoff for which Regular Benefits is payable in any period of layoff resulting from such cause;

(iii) with respect to such Week the Employee did not refuse to accept work offered by the Company which he had no option to refuse under the provisions of the Collective Agreement provided, however, that refusal by skilled Tool & Die, Maintenance and Construction or Powerhouse Employees or Apprentices of work other than work in their respective trades shall not result in eligibility for a Regular Benefit.

(iv) with respect to such Week the Employee was not eligible for and was not claiming.

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 lost time benefit which he received under Workers' Compensation law or other law providing benefits for occupational injury or disease while not totally disabled and while ineligible for an accident and sickness benefit under the Company Insurance Programme),

2. any Company pension or retirement benefit; and

(v) with respect to such Week the Employee was not on any leave of absence.

- c) If an Employee is on short-term activity duty of 30 days or less because he was called to active service in the Militia or Reserve by provincial or federal authorities in the case of a public emergency and is ineligible under the Collective Agreement for pay from the Company for all or part of such period and would be on a qualifying layoff but for such active **duty**, he will be deemed to be on a qualifying layoff for such period.
- d) If an Employee is ineligible for a Benefit by reason of Section 1.02 (b) (ii) or Section 1.02 (b) (iv) with respect to some but not all of his regular work days in a week, and is otherwise eligible for a Regular Benefit, he shall be entitled to a reduced Regular Benefit payment as provided in Section 2.01 (b).

### **1.03 Appeal From Denial of Employment Insurance Benefit**

- a) With respect to any week for which an Employee has applied for a Regular Benefit and for which he has been denied an Employment Insurance Benefit, and the denial is being protested by the Employee through the procedure provided therefore under Employment Insurance, and the Employee is eligible to receive a Regular Benefit under the Plan except for such denial, the payment of such Regular Benefit shall be suspended until such dispute shall have been determined.
- b) If the dispute shall be finally determined in favour of the Employee, the Regular Benefit shall be paid to him if he had not any time exhausted Credit Units subsequent to the week to which the Employment Insurance Benefit in dispute is applicable.

## **Article 2**

### **AMOUNT OF BENEFITS**

#### **2.01 Regular Benefits**

- a) The Regular Benefit payable to an eligible Employee for any week shall be the lesser of:

- i) an amount which, when added to his Employment Insurance Benefit and other Compensation, will equal 75% of his Weekly Straight-Time Pay, plus \$1.50 for each of not more than four (4) Dependents, or
  - (ii) **\$160.00** for layoffs occurring on or after **April 22, 2000** plus \$1.50 for each of not more than four(4) Dependents, provided, however, that such maximum shall not apply to a Leveling Week Benefit; and \$200.00 for any week with respect to which the employee is (~~\$270.00~~ for layoffs occurring on or after **April 22, 2000**) not receiving an Employment Insurance Benefit because of a reason listed in Section 1.01 (b)(ii).
- b) An otherwise eligible Employee entitled to a Regular Benefit reduced because of ineligibility with respect to part of the week, as provided in Section 1.02 (b)(ii) and Section 1.02 (b) (iv) (reason for layoff or eligibility for a disability, pension or retirement benefit), will receive 1/5 of a Regular Benefit computed under Section 2.01 (a) for each work day of the week for which he is otherwise eligible, provided however, that there shall be excluded from such computation any pay which could have been earned for hours made available by the Company but not worked on days for which he is not eligible for a Regular Benefit under Section 1.02 (b) (ii) and Section 1.02 (b) (iv).

#### **2.02 Employment Insurance Benefit and**

- a) An Employee's "Employment Insurance Benefit and Other Compensation" for a week means:
- (i) the amount of Employment Insurance Benefit received or receivable by the Employee for such week; provided that in the case where the Employee has received a lump sum Employment Insurance payment which covers more than one week of Employment Insurance Benefits, the amount

of Employment Insurance Benefit received or receivable by the Employee for such week shall be the portion of such payment which is referable to that week; plus

(ii) all pay received or receivable by the Employee from the Company (excluding vacation pay except as provided in Section 2.02 (a) (v) and, the amount of any pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, after reasonable notice has been given to the Employees, for such week; provided, however, that if the hours made available but not worked are hours which the Employee has an option to refuse under the Collective Agreement, or which he could refuse without disqualification under Section 1.02 (b) (iii), such hours shall not be considered as hours made available by the Company; and provided, further, that if wages or remuneration or any military pay are received or receivable by the Employee from other employers other than the Company and are applicable to the same period as hours made available by the Company but not worked, only the greater of (a) such wages or remuneration or military pay from other employers in excess of the greater of the amount disregarded as earnings by **Human Resources Canada** or 20% of such wages or remuneration or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided, further, that any pay received or receivable by the Employee for a shift which extends through midnight shall be allocated.

1. to the day on which the shift started if he was on lay-off with respect to the corresponding shift on the following day,
2. to the day on which the shift ended if he was on lay-off with respect to the corresponding shift on the pre-

ceding day, or

3. according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and in such event, the amount of Regular Benefit shall be modified to any extent necessary so that the Employee's Regular Benefit will be increased to offset any reduction in his Employment Insurance Benefit which may have resulted solely from **Human Resources Canada's** allocation of his earnings for such a shift otherwise than as prescribed in this provision, plus

- (iii) all earnings, as defined under the Employment Insurance Act and the Regulations thereto, received or receivable from other employers in excess of the greater of the amount disregarded as earnings by Employment Insurance or 20% of such earnings for periods other than a "waiting period" or a period during which an Employee is eligible for an "advance payment" under Employment Insurance received or receivable from sources other than the Company, for such week excluding such wages or remuneration which were considered in the calculation under Section 2.02 (a) (ii); plus
- (iv) the amount of all other benefits in the nature of compensation, or benefits for unemployment received or receivable under any municipal, provincial or federal laws for such weeks; plus
- (v) vacation pay received or receivable under the provisions of Article XIII of the Collective Agreement, of which an amount equal to 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the first week of Company designated vacation and the remainder of such vacation pay, if any, shall be considered compensation



applicable to any additional week of Company designated vacation to be received by the Employee; plus

- (vi) the amount of all military pay in excess of the greater of the amount disregarded as earnings by Employment Insurance or 20% of such military pay received or receivable for such week, excluding such military pay which was considered in the calculation under Section 2.02 (a) (ii).
- b) If the Employment Insurance Benefit received by an Employee for an Employment Insurance Week shall be for less, or more than a full Employment Insurance Week (for reasons other than his receipt of wages or remuneration for such Employment Insurance Week);
- (i) because he has been disqualified or otherwise determined ineligible for a portion of his Employment Insurance Benefit for reasons other than those set forth in Section 1.01 (b), or
  - (ii) because the Employment Insurance Week for which the Employment Insurance Benefit is paid includes a portion of the Employment Insurance waiting period, or
  - (iii) because of an underpayment or overpayment of a previous Employment Insurance Benefit, the amount of the Employment Insurance Benefit to which he otherwise would have been entitled for such Employment Insurance Week shall be used in the calculation of "Employment Insurance Benefit and other Compensation" for such Employment Insurance Week.

### **2.03 Insufficient Credit Units for Full Benefit**

If an employee has to his credit less than the full number of Credit Units required to be cancelled for payment of a Regular Benefit for which he is otherwise eligible, he shall be paid the full amount

of such Regular Benefit and all remaining Credit Units to his credit shall be cancelled.

**2.04 Effect of Low Credit Unit Cancellation Base**

Notwithstanding any of the other provisions of the plan:

- a) Any Regular Benefit for a week shall be reduced by 20% but in no event to less than \$5 by reason of such deduction if:

<b>The Week for which such Benefit is paid:</b>	<b>The CUCB applicable to the Week for which a Benefit is paid is:</b>	<b>And as of the last day of the week for which such Benefit is paid to the Employee, his seniority is:</b>
Commences on or after April 2,1990	\$53.00-\$171.49 Below \$171.50	One to ten yrs. 10 to 20 years

- b) If the CUCB for any week shall be less than \$53.00 for weeks beginning on or after April 2, 1990, no Regular Benefits for such week for an Employee with less than ten years of Seniority as of the last day of the week for which any Regular Benefit is being computed shall be paid at any time.
- c) Assets in the fund resulting from Company contributions made in accordance with Article 6, Section 6.05 (c) shall be utilized solely to pay claims upon which the amount of such contributions was determined.

**2.05 Regular Benefit Overpayments**

- a) If the Company or the Board shall determined that any Regular Benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount(as the result

of a subsequent disqualification for Employment Insurance Benefits or otherwise), written notice thereof shall be mailed to the employee receiving such Regular Benefit(s) and he shall return the amount of overpayment to the Trustees; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3 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 limitation shall be applicable in cases of fraud or willful misrepresentation. Such 120 day limit for notifying Employees of any Regular Benefit overpayment which results from a Company error in calculating a regular Benefit shall be determined as beginning on the date of transfer to the Employee's bank account.

- b) If the Employee shall fail to return such amount of overpayment promptly, the Trustee shall arrange to reimburse the fund for the amount of overpayment by making a deduction from any future Regular Benefits(not to exceed \$20 from any one (1) Regular Benefit except in cases of fraud or willful misrepresentation) otherwise payable to such Employee or by requesting the Company to make a deduction from monies payable by the Company (including without limitation, Automatic Short Week Benefits and Separation Payments) to such Employee(not to exceed \$50 from any one (1) pay deposit except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deductions from the Employee's compensation and to pay the amount deducted to the Trustee.

#### **2.06 Withholding Tax**

The Trustee or the Company shall deduct from the amount of any Regular 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.

## **2.07**

In determining the amount of any applicable tax entailing personal exemptions, the **Trustee** or the Company shall be entitled to rely upon the official form filed by the Employee with the Company for purposes of determining income tax withholding on regular wages.

The Trustee or the Company shall deduct from any Regular Benefit payable to an individual under this plan such amount on account of monthly dues as established by the Union constitution and in accordance with Article IV of the Collective Bargaining Agreement.

### **Article 3 CREDIT UNITS AND DURATION OF REGULAR BENEFITS**

#### **3.01 General**

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of Regular Benefits.

#### **3.02 Accrual of Credit Units**

- a) For work weeks commencing on or after June 1, 1968, Credit Units shall be credited at the rate of 1/2 of a Credit Unit for each work week for which the Employee receives any pay from the company.
- b) For the purposes of accruing Credit Units under this section:
  - (i) vacation pay, paid pursuant to the Vacation With Pay Plan, Article XIII of the Collective Agreement, shall be considered as pay for work weeks on the basis that the first 40

hours pay, or such lesser amount as may have been received, shall be allocated to the first vacation week to which the employee is entitled under the Vacation With Pay Plan of the Collective Agreement and any excess over 40 hours pay shall be allocated to any additional week of Company designated vacation received by the Employee, and

(ii) back pay shall be considered as pay for any work week or work weeks to which it may be allocable.

c) No Employee may have to his credit in the aggregate at any one time more than 52 Credit Units.

d) No Employee shall be credited with any Credit Units prior to the first day on which he:

(i) has at least one (1) year of seniority; and

(ii) either is on the Active Employment Rolls in the Bargaining Unit (or was on such rolls within 30 days prior to such first day) 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 his employment with the Company for which he is receiving Workers' Compensation while on leave of absence approved by the Company.

As of such day, he shall be credited with Credit Units based upon his seniority date, work weeks occurring while he is an employee and subsequent to his

e) An Employee who has Credit Units as of the last day of a week shall be deemed to have had them during all of such week, provided, however that an Employee who has Credit Units during part of a week but forfeits them owing to a break in seniority during such week by reason of death or retirement

under the Pension Plan shall be deemed to have Credit Units for all of such week.

- f) At such time as the amount of any Regular Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore cancelled with respect to such overpayment of benefits shall be restored to the Employee, except to the extent of the number of Guaranteed Annual Income Credit Units which have been credited to such Employee 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 Credit Units were credited to him and except to the extent that such restoration would raise the number of his Credit Units at the time thereof above 52 and except as otherwise provided with respect to Credit Unit forfeiture under Section 3.03.

### **3.03 Forfeiture of Credit Units**

An Employee shall forfeit permanently all Credit Units with which he shall have been credited and with respect to Subsection (a), (c), and (d) only of this Section 3.03, shall be ineligible to be credited with Guaranteed Annual Income Credit Units on the next succeeding Guarantee Date or other date of eligibility, if he:

- a) incurs a break in Seniority; or
- b) is on layoff from the Bargaining Unit for a continuous period of 24 months, except that, if at the expiration of such 24 month period he is receiving Regular Benefits, his Credit Units shall not be forfeited until he ceases to receive Regular Benefits; or
- c) willfully, misrepresents any material fact in connection with an application by him for benefits under the Plan;

- d) is receiving benefits under the total and permanent disability provisions of the Pension Plan, provided, however, if such Employee is subsequently reinstated the Credit Units he possessed at the time of such forfeiture shall be credited to him upon reinstatement and as of such date he shall again become eligible to have Guaranteed Annual Income Credit Units credited to him.

#### **3.04 Credit Unit Cancellation on Payment of Regular Benefits**

- a) The number of Credit Units to be cancelled for any Regular Benefit shall be determined in accordance with the following tables: Table A if such Benefit is payable for a week beginning on or after April 2, 1990; provided, however, that for the purpose of such table, the seniority of an Employee who has a break in seniority during a week by reason of death or retirement under the Pension Plan shall be his seniority as of the date such break in seniority occurs.

IF <b>THE</b> CUCB APPLICABLE TO THE WEEK FOR WHICH A BENEFIT IS PAID IS	AND AS OF THE LAST DAY OF THE WEEK FOR WHICH SUCH REGULAR BENEFIT IS PAID TO THE EMPLOYEE HIS SENIORITY IS:					
	1 - 5 YEARS	5 - 10 YEARS	10 - 15 YEARS	15 - 20 <b>YEARS</b>	20 - 25 YEARS	25 YEARS & OVER
	THE CREDIT UNITS CANCELLED FOR SUCH BENEFIT SHALL BE					
\$1123.50 OR MORE	1.00	1.00	1.00	1.00	1.00	1.00
1004.00 - 1123.49	2.22	2.00	2.00	1.00	1.00	1.00
885.50 - 1003.99	2.50	2.22	2.00	1.00	1.00	1.00
766.50 - 885.49	2.86	2.50	2.22	1.00	1.00	1.00
647.50 - 766.49	3.34	2.86	2.50	1.11	1.00	1.00
528.00 - 647.49	4.00	3.34	2.86	1.25	1.00	1.00
410.00 - 527.99	5.00	4.00	3.34	1.43	1.00	1.00
290.50 - 409.99	6.66	5.00	4.00	1.43	1.00	1.00
171.50 - 290.49	10.00	6.66	4.00	1.43	1.00	1.00
53.00 - 171.49	20.00	10.00	4.00	1.43	1.00	1.00
Under \$53.00	No Benefit Payable		4.00	1.43	1.00	1.00



- a) Provided, however, that no Credit Units shall be cancelled when an Employee received a Leveling Week Benefit or an Automatic Short Work Week Benefit.
- b) If an Employee receives a reinstated Weekly Indemnity Benefit paid under Section VI B of the Insurance Plan with respect to any week, there shall be cancelled the number of Credit Units which would have been cancelled if he had received a Regular Benefit for such week. If an Employee receives such reinstated Weekly Indemnity Benefits for a portion of a week, and does not receive a Regular Benefit with respect to any part of such week, only one-half the number of such Credit Units shall be cancelled for the reinstated Weekly Indemnity Benefit. If an Employee receives a reinstated Weekly Indemnity Benefit for a portion of a week and also receives a Regular Benefit under Article 1, Section 1.02 (d) for such week, no Credit Units will be cancelled for the reinstated Weekly Indemnity Benefit.

### **3.05 Armed Services**

An Employee who enters the Canadian Armed Forces directly from the employ of the Company shall, while in such service, be deemed for purposes of the plan to be on leave of absence and shall not be entitled to any Regular Benefit. All Credit Units credited to such an Employee at the time of his entry into such service shall be credited to him upon his reinstatement as an Employee. This section shall not affect the payment of Regular Benefits to, or the cancellation of Credit Units of, any Employee deemed to be on qualifying layoff because of the provisions of Section 1.02 (c).

**Article 4**  
**APPLICATION, DETERMINATION OF ELIGIBILITY**  
**AND APPEAL PROCEDURES FOR REGULAR**  
**BENEFITS**

**4.01 Applications**

a) Filing of Applications

An application for a Regular Benefit may be filed, either in person or by mail, in accordance with procedures established by the Company. Under such procedures an Employee applying for a Regular Benefits shall be required to appear personally at the Company offices to register as an applicant and to supply needed information at the time of, or prior to, making his first application following layoff. No application for a Regular Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the week with respect to which it is made; provided, however, that if the amount of the Employee's Employment Insurance Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Regular Benefit or for a Regular Benefit in a greater amount than that previously paid, he may apply within 60 calendar days after the date on which such basis for eligibility is established.

b) Application Information

Application filed for a Regular Benefit under the Plan shall include:

- I. in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, dependents and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Regular Benefit and the amount thereof; and

II. with respect to a Regular Benefit, the exhibition of the Employee's Employment Insurance Benefit cheque or other evidence satisfactory to the Company of either

- 1) his receipt of or entitlement to an Employment Insurance Benefit or
- 2) his ineligibility for an Employment Insurance Benefit only for one or more of the reasons specified in Section 1.01 (b) provided, however, that in the case of Employment Insurance Benefit ineligibility by reason of the period worked in the week or pay received from the Company or otherwise. Employment Insurance Benefits shall be presumed to have been received by the Employee on the **date** of the cheque as set forth on the cheque or on the satisfactory evidence referred to in the preceding paragraph.

#### **4.02 Determination of Eligibility**

##### a) Application Processing by Company

When an application is filed for a Regular Benefit under the Plan, and the Company is furnished with the evidence and information required, the Company shall determine the Employee's entitlement to a Regular Benefit. The Company shall advise the Employee of the number of Credit Units cancelled for each Regular Benefit payment and the number of Credit Units remaining to the Employee's credit after such payment.

##### b) Notification to Trustee to Pay

If the Company determines, or the Board on an appeal determines that a Regular Benefit is payable from the fund, the Company shall deliver prompt written notice thereof to the Trustee to pay such Regular Benefit.

c) Notice of Denial of Regular Benefit

If the Company determines that an Employee is not entitled to a Regular Benefit, it shall notify him promptly, in writing, of such determination, including the reasons therefore.

d) Union Copies of Determination

The Company shall furnish promptly to the Union members of the Board a copy of all Company determinations of Regular Benefit ineligibility or overpayment.

**4.03 Appeals**

a) Applicability of Appeals Procedure

(i) The appeals procedure set forth in this section may be employed only for the purposes specified in this section.

(ii) No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Collective Agreement.

b) Procedure for Appeals

Appeals

1. An Employee may appeal from the Company's written determination with respect to the payment or denial of a Regular Benefit by filing a written appeal with the Board on a form provided for that purpose.

Appeals shall specify the respects in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.

2. **Such** written appeal shall be filed with the designated Company representative within 30 days following the date of mailing of the determination appealed. With respect to appeals that are mailed, the date of filing shall be the post-marked date of the appeal. No appeal shall be valid after such 30 day period.
3. The Board shall advise the Employee, in writing, of its resolution of or failure to resolve his appeal. If the appeal is not resolved within 10 days after the date thereof (or such extended prior period as may be agreed **upon** by the Board), the Employee or any three (3) members of the Board, at the request of the Employee, may within 20 days after the Board has failed to resolve the appeal, request the Board to select an Impartial Chairman to serve as a member of the Board to hear and determine an appeal not resolved by the Board.
4. A unanimous or majority decision of the Board will be final and binding upon the Union, its members, the person involved, the Trustee and the Company, and cannot be subject to appeal either by the applicant or by the minority members of the Board.
5. The handling and disposition of each appeal to the board shall be in accordance with regulations and procedures established by the Board.
6. The Employee or the Union Members of the Board may withdraw any appeal to the Board at anytime before it is decided by the Board.
7. There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the Employee or former Employee, the Trustee, and the Company. The Union shall discourage any attempt of its members to appeal, and shall not encourage or cooperate with any of its members in an appeal, to any Court or Labour Board from a decision of

the Board or the Impartial Chairman, nor shall the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board or Impartial Chairman is empowered to rule hereunder.

8. The Board shall be advised, in writing, by the Impartial Chairman of the disposition of any appeal previously considered by the Board and referred to the Impartial Chairman. A copy of such disposition shall be forwarded to the Employee.

c) Regular Benefits Payable After Appeal

In the event that an appeal with respect to entitlement to a Regular Benefit is decided in favour of an Employee, the Regular Benefit shall be paid to him; provided, however, that if such Regular Benefit requires Credit Unit Cancellation the Regular Benefit shall be paid only if he did not at any time exhaust Credit Units after the week of the Regular Benefit indispute.

d) Meaning of Term "Employee" with Respect to Appeal Provisions.

With respect to the appeal provisions set forth under this Section 4.03 only, the term "Employee" shall include any person who received or was denied the Regular Benefit in dispute.

## **Article 5 ADMINISTRATION OF THE PLAN**

### **5.01 Powers and Authority of the Company**

(a) Company Powers

The Company shall have such powers and authority as are neces-

sary and appropriate in order to carry out its duties under the Plan, including, without limitation, the power:

- I. to obtain such information as it shall deem necessary in order to carry out its duties under the Plan.
- II. to investigate the correctness and validity of information furnished with respect to an application for a Regular Benefit;
- III. to make initial determination with respect to Regular Benefits:
- IV. to establish reasonable rules, regulations and procedures concerning
  - 1) the manner in which and the times and places at which applications shall be filed for Regular Benefits, and
  - 2) the form, content and substantiations of application for Regular Benefits.

In establishing such rules, regulations and procedures, the Company shall give due consideration to recommendations from the Board;

- V. to designate an office or department at the Plant, or in the alternative a location in general area of such Plant, where Employees laid off from such Plant may appear for the purpose of complying with the requirements of the Plan;
- VI. to determine the maximum funding of the fund and CUCB;
- VII. to establish appropriate procedures for giving notices required to be given under the Plan;

VIII. to establish and maintain necessary records; and

IX. to prepare and distribute information, explaining the Plan, it being understood that each Employee shall receive an annual statement of the Credit Units standing to his favour as at December 31st of the last completed calendar year. Notwithstanding such statement for the purpose of determining an Employee's Credit Units, the records of the Company shall govern.

(b) Company Authority

Nothing contained in the Plan 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 the Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters

**5.02 Board of Administration of the Plan**

a) Composition and Procedure

(i) There shall be established a Board of Administration of the Plan alternate. In the event a member is absent from a meeting of the Board, his alternate may attend, and, when in attendance, shall exercise consisting of six (6) members, three (3) of whom shall be appointed by the Company (hereinafter referred to as the Company members) and three (3) of whom shall be appointed by



the Union (hereinafter referred to as the Union members). Each member of the Board shall have an the powers and perform the duties of such member. 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. 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.

- (ii) The members of the Board will, when required, appoint an Impartial Chairman, who shall serve until requested in writing to resign by three (3) members of the Board. The Impartial Chairman, if appointed, shall be considered a member of the Board, and shall vote only in matters within the Board's authority to determine where the other members of the Board shall have been unable to dispose of a matter by majority vote, except that the Impartial Chairman shall have no vote concerning determinations made in connection with Section 1.01(b)(xi).
- (iii) At least two (2) Union Members and two (2) Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of three (3) votes and the Union members shall have a total of three (3) votes, the vote of any absent member being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast. The Board shall meet at least twice a year and during periods of major layoffs at least once every two months.
- (iv) The Board, established pursuant to Section 5.02(b) shall not maintain a separate office or staff, but the Company and Union shall be responsible for furnishing such clerical

cal and other assistance as its respective members of 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 (1) 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.

b) Powers and Authority of the Board

(i) It shall be the function of the Board to exercise ultimate responsibility for determining

1. whether an Employee is eligible for a Regular Benefit under the terms of the Plan, and if so,
2. the amount of the Regular Benefit

The Board shall be presumed conclusively to have approved any initial determination by the Company unless the determination is appealed as prescribed in Section 4.03 (b).

(ii) The Board shall have jurisdiction:

1. to hear and determine appeals by Employees pursuant to Article 4;
2. to obtain such information as the Board shall deem necessary in order to determine such appeals.
3. 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;
4. to direct the company to authorize the Trustee to make payments of Regular Benefits pursuant to determinations made by the Board;

5. to rule upon disputes as to whether Short Workweek resulted from an Act of God. The term Act of God as used in this subsection means an occurrence or circumstance directly affecting a Company Plant or Plants which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control; the result solely of natural causes and not of human acts.
  6. to have prepared and distributed on behalf of the board information explaining the plans; and
  7. to perform such other duties as are expressly conferred upon it by the Plan.
- (iii) 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 Regular Benefits as provided 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.
- 1) whether the appeal was made within the time and in the manner specified in Section 4.03(b).
  - 2) whether the Employee is an eligible Employee with respect to the Regular Benefit claimed, and, if so
  - 3) the amount of any Regular Benefit payable.
- (iv) The Board shall have no jurisdiction to act upon any appeal not made within the time and in the manner specified in Section 4.03(b).
- (v) The Board shall have no power to determine questions arising under the Collective Agreement, even though rel-

evant to the issues before the Board. All such questions shall be determined through the regular procedures therefore provided by the Collective Agreement and all determinations made pursuant to such Agreement shall be accepted by the Board.

- (vi) 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,

### **5.03 Determination of Dependents**

In determining an Employee's Dependents for purposes of Regular Benefit determinations, the Company (and the Board) shall be entitled to rely upon the official form filed by the Employee with the Company for income tax withholding purposes; and the Employee shall have the burden of establishing that he is entitled to a greater number of withholding exemptions than he shall have claimed on such form.

### **5.04 To Whom Regular Benefits Are Payable in Certain Conditions**

Regular Benefits shall be payable hereunder only to the Employee who is eligible therefore, except that if the Board shall find that such an Employee is deceased or is unable to manage his affairs for any reason, any such Regular Benefit payable to him shall be paid to his duly appointed legal representative, if there be one, and if not, to the spouse, parents, children or other relatives or dependents of such Employee as the Board in its discretion may determine. Any Regular Benefit so paid shall be a complete discharge of any liability with respect to such Regular Benefit. In the case of death, no Regular Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

### **5.05 Nonalienation of Regular Benefits**

No Regular Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an authorization and assignment for check-off of union dues and any attempt to accomplish the same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Regular Benefit due or to become due to any Employee, the Board in its sole discretion may terminate the interest of such Employee in such Regular Benefit and apply the amount of such Regular Benefit to or for the benefit of such Employee, his spouse, parents, children or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Regular Benefit.

### **5.06 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.

## **Article 6**

### **FINANCIAL PROVISIONS AND REPORTS**

#### **6.01 Establishment of Fund**

The Company shall establish, in accordance with the Plan, a Fund with a qualified bank or banks or a qualified trust company or companies selected by the company as trustee. The Company's contributions shall be made into the 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 the Fund. The Company shall provide in the trust agreement that the assets of the Fund shall be held in cash or invested only in such investments as are authorized pursuant to the Canadian and British Insurance Companies Act, 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. 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.

#### **6.02 Maximum Funding**

- a) The Maximum Funding of the Fund shall be determined for each calendar month by multiplying the Average Full Benefit Rate by 16 and this result by the sum of
  - (i) the average number of Employees on the Active Employment Rolls, and
  - (ii) the average number of persons laid off from work as Employees who are not on the Active Employment Rolls but who have Credit Units, both numbers being determined by the Company on the basis of the latest man count in each of the 12 consecutive months immediately prior to the first Monday in the month for which the Maximum Funding is being determined.
- b) (i) The Average Full Benefit Rate for the purpose of determining Maximum Funding shall be computed monthly and shall be the amount determined by adding the sum of all Full Benefits paid during the 12 months immediately prior to the month next preceding the month for which Maximum Funding is being determined and dividing the resulting number by the number of such Full Benefits.
- (ii) A Full Benefit shall mean a Regular Benefit which has not been reduced because of other Compensation as defined in Section 2.02(a).

### 6.03 CUCB (Credit Unit Cancellation Base)

- a) A CUCB shall be determined for each calendar month in the following manner: the current market value of the total assets in the Fund as of the close of business on the last day of the immediately preceding month as certified by the Trustee less the special account within the Fund attributable to the allocated additional contributions required by section 6.05 (d) (plus, as provided in Section 6.05 (b), additional contribution amounts, if any, to be added to the market value of the assets for Automatic Short Week Benefits for Scheduled Short Work Weeks paid during the previous month), shall be divided by the number of Employees on the Active Employment Rolls and persons used in determining Maximum Funding for such month.
  
- b) The CUCB for any particular month shall be applied to each of the pay periods beginning within such month; provided, however, that whenever the CUCB for any particular month is less than \$410.00, the CUCB shall be applied only to the first pay period beginning within such month, and thereafter there shall be determined a CUCB for each pay period until the CUCB for a particular pay period equals or exceeds the aforementioned amount. When the CUCB for a particular pay period equals or exceeds such amount, such CUCB shall be applied to each pay period until a CUCB for the following calendar month shall be applicable. The CUCB 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, less the special account within the Fund attributable to the allocated additional contributions required by Section 6.05 (d) (plus, as provided in Section 6.05 (b), additional contribution amounts, if any to be added to the market value of the assets for Automatic Short Week Benefits for Scheduled Short Work Weeks paid during the previous month).

#### **6.04 Finality of Determinations**

No adjustment in the Maximum Funding or the CUCB shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, unless such adjustment is practicable. Any adjustment made shall only be perspective 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.

#### **6.05 Company Contributions**

- a) With respect to each of the pay periods which begin within a month for which the current market value of the assets of the Fund (determined as of the close of business on the last day of the immediately preceding month) is less than the Maximum Funding, the Company shall make a contribution to the Fund in an amount to be determined by multiplying the amounts set forth in the table below:

<b>For Pay Periods Commencing</b>	<b>Contribution Rate</b>
On or after April 5, 1993 but before May 5, 1997	.41
<b>On or after May 5, 1997 but before May 4, 1998</b>	<b>.42</b>
<b>On or after May 4, 1998 but before May 3, 1999</b>	<b>.43</b>
<b>On or after May 3, 1999</b>	<b>.44</b>

by the total number of hours for which employees shall have received pay from the Company for such pay periods, less all amounts determined under subsection (c) of this section, but



not in excess of the amount necessary to raise the value of the assets in the fund to the Maximum Funding.

If any of the above-mentioned hours is paid for at the rate of time and one-half an Employee's rate, or at the rate of double time an Employee's rate, the Company shall make an additional contribution to the Fund in the amount of \$.06 for each such time and one-half hour and \$.12 for each such double time hour.

b) Scheduled Short Work Week Contributions

If the CUCB for the month is less than \$725, the Company shall make, in addition to any contributions under subsection (a) of this section, a contribution equal to the lesser of:

- (i) the amount of any Automatic Short Week benefits paid for Scheduled Short Work Weeks commencing during the preceding month which were offset against Company contributions in accordance with subsection (e) of this section: or
- (ii) the amount necessary to bring the CUCB up to \$725 for the month with respect to which such contribution is made.

The amount of any contribution under this subsection shall be added to the market value of the assets of the fund for purposes of determining the CUCB to be used for all purposes under the Plan for the month with respect to which any such contribution is made.

c) Additional Company Contributions

If after any required contributions are made under subsection (a) or (b) of this section for any period the Fund does not have sufficient assets to pay regular benefits otherwise due and

payable under the Plan, and if there are applications due and payable for regular benefits as follows:

weeks commencing on or after April 2, 1990 during which the CUCB exceeded \$52.49

the Company shall make an additional contribution to the Fund equal to the amount of such regular benefits.

d) Allocated Additional Contributions

The Company shall make additional contributions in an amount to be determined by multiplying \$.04 by the total number of hours for which employees shall have received pay from the Company for such pay periods commencing after April 1, 1982 (or such lesser amount as will bring the total assets in the Fund up to a Maximum Funding).

Contributions made in accordance with this section 6.05 (d) shall be allocated in a special account within the Fund and shall be used exclusively to pay regular benefits otherwise due and payable under the Plan to employees with ten (10) or more years of seniority when the Fund does not have sufficient assets (other than the monies in the special account within the Fund) to pay such regular benefits to such eligible employees. The amount of such contributions shall not be added to the market value of the assets of the Fund for purposes of determining the CUCB. Earnings on the funds in the special account shall be credited to the regular account (The Fund) commencing with the earnings for the month of May 1994.

e) Reduction in Contributions

The Company's contributions to the Fund, as determined under Section 6.05 (a), (b), and (d) shall be reduced by:

1. the amounts of Automatic Short Week Benefits paid by the Company (other than Automatic Short Week Benefits paid for Scheduled ShortWork Weeks in pay periods with respect to which the CUCB is less than \$725),
  2. the amounts of any separation payments paid by the Company in accordance with the provisions of the separation payment plan,
  3. all amounts paid by the Company to provide moving allowances under the Collective Agreement
  4. the amount of any Company contributions under subsection (c) 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 Section 6.05 (e) (i), then any subsequently required contributions shall be reduced by the amount not previously offset against contributions, any such amount not previously offset against contributions shall be deducted from the market value of the assets in the Fund in determining the CUCB and whether the Fund equals or exceeds Maximum Funding.
- f) Definition of Scheduled and Unscheduled ShortWork Week
- (i) For the purposes of the Plan, a Scheduled ShortWork Week with respect to an Employee is a ShortWork Week which Management schedules in order to reduce the production of the Plant, department or other unit in which the Employee works to a level below the level at which the production of such Plant, department or unit would be for the week were it not a Short Work Week, but only where such reduction of production is for the purpose of adjusting production to customer demand, providing, however, that no Short Work Week shall be considered a Scheduled

Short Work Week for the first five (5) consecutive work days following the Employee's Short Week Layoff.

(ii) For the purposes of the Plan, an unscheduled Short Work Week with respect to an Employee is any Short Work Week:

1. which is not a scheduled Short Work Week as defined in Section 6.05 (f) (i).
2. in which an employee returns to work from layoff to replace a separated or absent employee (including an employee failing to respond or tardy in responding to recall), or returns to work after a full week of layoff in connection with an increase in production but only to the extent that the Short Work Week is attributable to such cause.

g) 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.

h) 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.

i) No Contribution Obligation

Notwithstanding any other provisions of the Plan, the Company shall not be obligated to make any contribution to

the Fund with respect to any pay period which begins within a month for which the current market value of the assets in the Fund (determined as of the close of business on the last day of the immediately preceding month) is equal to or in excess of the Maximum Funding and no contribution to the Fund in 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.

- j) Hours referred to in subsections (a) and (d) of this Section shall not include any hour for which benefits are paid under this Plan, the separation payment plan or the Automatic Short Week Benefit Plan.

#### **6.06 Liability**

- a) The provisions of these Articles 1 through 9 constitute the entire Plan. The provisions of this Article 6 expresses 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 any benefits under the Plan.

The Company shall not be obligated to make up or to provide for making up any depreciation or loss arising from 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 this Article, when the market value of the assets of the Fund is 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.

- b) The Board, 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 entitled representative of any of the others.

- c) Notwithstanding the above provisions, nothing in this section shall be deemed to relieve any person from liability for willful misconduct or fraud.

#### **6.07 No Vested Interest**

Neither the Company, the Union nor any 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.

#### **6.08 Reports**

- (a) Reports by the Company

The Company shall notify the Board and the Union with reasonable promptness of the amount of the Maximum Funding and the CUCB as determined by it from time to time under the Plan, and shall furnish a statement showing the Average Full Benefit Rate, the number of Employees on the Active Employment Rolls and the number of laid off persons not on the Active Employment Rolls but having Credit Units upon the basis of which such determination was made.

- II. Within ten (10) working days after the commencement of each month the Company shall furnish to the Union a statement showing for the preceding month:

1. the number of hours which employees shall have received pay from the Company and the number of such hours with respect to which the Company shall not have made contributions to the Fund as provided in Section 6.05(g) during each period for which contributions were made to the Fund or would have been made to the Fund except for the provisions of Section 6.05(g).
2. the amount of the Company contributions at the applicable rate for each hour with respect to which the Company

shall have made contributions to the Fund in accordance with Section 6.05 (a).

3. the amount of the Company contributions at the applicable rate for each hour with respect to which the Company shall have made contributions to the Fund in accordance with Section 6.05 (d).
4. the amount of the Company contribution in accordance with Section 6.05 (b)
5. the amount of the Company contribution in accordance with Section 6.05 (c)
6. the amount of Automatic Short Work Week and other benefits in accordance with Section 6.05 (e) used to reduce total Company contributions as determined by 2,3,4 and 5 above.

(iii) On or before April 30 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 furnished by the Company during the preceding year pursuant to Section 6.08 (a) (i) and 6.08 (a) (ii).

(iv) 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.

(v) On or before January 31 of each year, the Company shall furnish to the Union a statement showing the number of employees to whom Guaranteed Annual Income Credit Units were credited on the preceding guarantee date and the number of such Guaranteed Annual Income Credit Units both distributed according to the seniority brackets set forth in the table in Section 8.01 (a) of Article 8 and

according to the number of Credit Units which were credited (numbers above 13 being grouped in intervals of 5).

(b) Reports by the Trustee

- I. Within ten (10) calendar days after the commencement of each month, the Trustee shall be required to furnish to the Board, the Union and the Company, a statement showing the amount received from the Company for the Fund during the preceding month.
- II. No later than the second Tuesday following the first Monday of each month, the Trustee shall furnish to the Board, the Union and the Company, a statement showing the total market value of the Fund as of the close of business on the last day of the immediately preceding month, and a statement showing by type of benefit the number and amounts, if any, paid from the Fund during each week of the preceding month as
  1. regular benefits paid without reduction for other compensation as defined in Section 2.02 (a)
  2. other regular benefits
  3. separation payment plan payments
  4. regular benefits paid to employees who were ineligible for Employment Insurance Benefits for one or more of the reasons specified in Section 1.01(b)
  5. regular benefits paid to employees who were eligible with respect to some but not all of the regular work days in a week, as provided in Section 1.02(d).



### **6.09 Cost of Administering the Plan**

a) Expense of the Trustee

The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee, shall be charged to the Fund.

b) Expenses of the Board of Administration

The compensation of the impartial chairman which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Company and the Union. The Company members and the Union members of the Board shall serve without compensation from the Fund. Reasonable and necessary expenses of the Board for *forms* and stationery required in connection with the handling of appeals shall be borne by the Company.

c) Cost of Services

The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees for services performed in connection with the Plan and the Fund.

### **6.10 Regular Benefit Cheques Not Presented**

If the Trustee has segregated any portion of the Fund in connection with any determination that a regular benefit is payable under the Plan and the amount of such regular benefit is not claimed within a period of two (2) years from the date of such determination, such amount shall revert to the Fund.

**Article 7**  
**MISCELLANEOUS**

**7.01 Purposes of Plan and Status of Employees  
Receiving Regular Benefits**

a) Purpose of Plan

It is the purpose of the Plan to supplement the Employment Insurance Benefits during periods of temporary unemployment and not to replace or duplicate them.

b) Status of Employees Receiving Regular Benefits

Neither the Company's Contributions nor any regular benefit paid under the Plan shall be considered a part of an employee's wages for any purpose. No Employee who receives any regular 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 regular benefits.

**7.02 Effect of Revocation of Income Tax Rulings**

The establishing and continuation of this Plan and the introduction of any changes to this Plan, is subject to the Company obtaining and continuing to hold all necessary provincial and federal government approvals and registrations, including the approval of such relevant tax authorities as is necessary to establish that the Company is entitled to deduct the amount of any payments it makes with respect to this Plan as an expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws now or hereafter in effect, or hereafter amended or adopted.

### **7.03 Supplementation of Employment Insurance Benefits**

If Supplementation is no longer permitted by rulings from Canadian governmental authorities or by amendments to the Employment Insurance Act, the parties shall endeavour to negotiate an agreement establishing a Plan for benefits not inconsistent with the purposes of the Plan. Any agreement so reached shall not apply to an employee who is ineligible to receive Employment Insurance Benefits for any of the reasons stated in Section 1.01 (b) of the Plan. Such Employee, if otherwise eligible, may apply for and receive a regular benefit under the Plan.

### **7.04 Amendment and Termination of the Plan**

- a) So long as the Agreement of which this Plan is a part 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 the Agreement.

The Company agrees that the Employment Insurance Commission will be notified of any changes to the plan within 30 days of the effective date of such changes.

Upon the termination of the Agreement, the Company shall have the right to continue, 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 any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Fund shall be used to pay expenses of administration and to pay regular benefits to eligible employees for a period of one (1) year following termination, if not soon exhausted. The Plan provisions with respect to the effect of a low CUCB on the payment of regular benefits shall not be applicable. At the expiration of such one (1) year period, the parties shall endeavour to negotiate a program for the orderly disposition

of any remaining assets of the Fund for the benefit of employees in a manner not inconsistent with the purpose of the Plan.

**Article 8**  
**GUARANTEED ANNUAL INCOME CREDITS**

**8.01 Crediting of Guaranteed Annual Income Credit Units**

a) An employee who is on the Active Employment Roll and has at least one year of seniority on a Guarantee Date (as defined in Section 8.02 of this article) shall be credited as of the day following such guarantee Date with the number of Guaranteed Annual Income Credit Units (as defined in Section 8.03 of this Article), if any, determined by:

1. subtracting from 52 the number of Credit Units to his credit on the Guarantee Date; and
2. multiplying the resulting number by the applicable percentage set forth in the following table:

<b>Years of Seniority on the Guarantee Date</b>	<b>Applicable Percentage</b>
1 but less than 5	25%
5 but less than 10	50%
10 but less than 15	75%
15 and over	100%

b) If Guaranteed Annual Income Credit Units 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 on the active employment rolls but on any date within the 52 pay periods following such Guarantee Date such employee has at least one year of seniority and is then on the active employment rolls, he shall be entitled to be credited with Guaranteed

Annual Income Credit Units as of the day following the end of 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:

1. subtracting from 52 the number of pay periods between the preceding Guarantee Date and the last day of such pay period; and
  2. subtracting from the resulting number of CreditUnits to the employee's credit on such last day; and
  3. multiplying that resulting number by the percentage in the table in subsection (a) (2) of this Section, applicable to the employee's seniority on the preceding Guarantee Date (or the date subsequent thereto on which he acquired one year of seniority).
- c) With respect to subsection (a) and (b) of this Section 8.01, an employee who reports for work at the expiration of a sick leave (illness excluding pregnancy) and for whom there is no work available in line with his seniority and who then is placed on layoff status, shall be deemed to be on the Active Employment Roll.

#### **8.02 Guarantee Date**

The term Guarantee Date shall mean the third Sunday in each July.

#### **8.03 Guaranteed Annual Income Credit Unit**

A Guaranteed Annual Income Credit Unit shall be deemed in all respects for all purposes the same as a Credit Unit credited pursuant to Article 3, except that Guaranteed Annual Income Credit Units shall be credited only pursuant to the provisions of this Article.

**Article 9**  
**DEFINITIONS**

As used herein:

1. "Active Employment Rolls"

An employee whose seniority rights have not ceased is considered to be on the Active Employment Roll of the Company when working and receiving pay for some portion of a given pay period or who is absent from work because he is on a paid vacation or an authorized leave of absence for illness or other approved reasons as provided by the terms of the Collective agreement.

2. "Agreement" means the currently effective agreement between the Company and the Union which incorporates this Plan, the Separation Payment Plan, and the Automatic Short Week Benefit Plan by reference:

3. "Automatic Short Week Benefit" means the benefit payable to an eligible employee for a Short Work Week in accordance with the Automatic Short Week Benefit Plan;

4. "Bargaining Unit" means a unit of employees covered at the particular time by the Collective Agreement;

5. "Base Hourly Rate" means:

(a) With respect to a regular benefit payable to an employee, his average prevailing hourly rate during the eight (8) full pay periods immediately preceding such employee's lay-off from the Company.

(b) With respect to an Automatic Short Work Week Benefit, in the case of a non-incentive employee, his current hourly rate not including overtime premium or shift premium in

effect in the pay period immediately prior to the current pay period, and in the case of an incentive or piecework employee, his average hourly rate earned **but** not including overtime premium or shift premium for the hours worked during the last pay period paid prior to the current pay period.

- (c) With respect to a Regular Benefit or Automatic Short Work Week Benefit, the base hourly rate as determined in (a) and (b) above, shall be adjusted to reflect the amount of any wage increase or cost-of-living adjustment, if any, which became effective (pursuant to the collective agreement) after the day or period (or during the period) used to establish his base hourly rate. In such event, the amount of any wage increase and/or cost-of-living adjustment shall be the amount applicable to the job classification in which the employee worked on either the day such increase or adjustment became effective or on the last day prior to his layoff, whichever is applicable.

The adjusted base hourly rate shall be effective with respect to Regular Benefits which may be payable for and subsequent to the week in which such wage increase and/or cost-of-living adjustment became or becomes effective.

6. "Benefit" means an Automatic Short Week Benefit or a Regular Benefit:

- (a) "Automatic Short Week Benefit" means the Benefit payable to an eligible employee for a Short Workweek in accordance with the Automatic Short Week Benefit Plan,
- (b) "Leveling Week Benefit" means the Regular Benefit payable to an eligible employee because with respect to the week he was serving an Employment Insurance "Waiting Period" and during such week he had sufficient

seniority to work in the Plant but he was temporarily laid off out of line of seniority pending an adjustment of the work force in accordance with the terms of the Collective Agreement.

(c) "Regular Benefit" means a weekly Benefit payable to an eligible employee for a week of layoff in which he performed no work for the Company, and received no jury duty pay or bereavement pay from the Company.

7. "Board" means the Board of Administration under the Plan.
8. "Break in Seniority" means break in or loss of seniority pursuant to the Collective Agreement.
9. "Collective Agreement" means the collective agreement between the Company and the Union which is in effect at the particular time.
10. "Company" means Budd Canada Inc.
11. "Weekly Straight Time Pay" means an amount equal to an employee's base hourly rate excluding all other premiums and bonuses of any kind multiplied by 40.
12. "Credit Unit" means a Credit Unit or fraction thereof credited to an employee under the Plan generally for work weeks for which he receives pay, and cancelled at specified rates for the payment of certain regular benefits.
13. "CUCB" (Credit Unit Cancellation Base) means an amount determined periodically (pursuant to Section 6.03) by dividing the market value of the assets in the Fund (as adjusted for certain amounts) by the sum of the number of employees on the Active Employment Rolls plus those laid off with Credit Units.



14. "Dependent" means a spouse or a person recognized as a dependent under the Canadian Income Tax Act for purposes of establishing the employee's withholding tax exemptions.
15. "Employee" means an hourly-rated employee in the Bargaining Unit.
16. "Fund" means a Trust Fund established under the Plan to receive and invest Company contributions and to pay benefits.
17. "Prevailing Hourly Rate" means an Employee's average hourly rate earned exclusive of overtime premiums, shift premiums and any other premiums or bonuses, but including the applicable cost-of-living allowance, for the hours worked during a given pay period.
18. "Plan" means the Supplemental Unemployment Benefit Plan as set forth in this Part B.
19. "Plant" shall mean the Company facility at which there are employees covered by the Collective Agreement.
20. "Regular Benefit" means a weekly benefit payable under Section 2.01 (see definition of "Benefit").
21. "Schedule Short Work Week" means a short work week as described in Section 6.05 (d).
22. "Seniority" means seniority status under the Collective Agreement.
23. "Separation Payment" means a lump sum amount payable to an eligible employee by reason of qualified layoff and certain separations from the Company in accordance with the Separation Payment Plan.
24. "Short Work Week" means a work week during which an

employee has less than forty (40) compensated or available hours and

- (a) during which he performs some work for the Company.
- (b) or for which he receives some jury duty pay or bereavement pay from the Company, or
- (c) for which he receives only holiday pay and for the immediately preceding work week, he either received an Automatic short Work Week Benefit or had forty (40) or more compensated and available hours.

- 25. "Supplementation" means recognition of the right of a person to receive both an Employment Insurance Benefit and a Regular Benefit under the Plan for the same week of layoff at approximately the same time and without reduction of the Employment Insurance Benefit because of the payment of the Regular Benefit under the Plan.
- 26. "Trustee" means the Trustee or Trustees of the Fund established under the Plan.
- 27. "Employment Insurance" means employment insurance as defined by the Canadian Employment Insurance Act.
- 28. "Employment Insurance and Other Compensation" means an Employment Insurance Benefit and other compensation or benefits for unemployment as defined in Section 2.02.
- 29. "Employment Insurance Benefit" means an employment insurance benefit as defined by the Canadian Employment Insurance Act.
- 30. "Union" means The National Automobile, Aerospace Transportation and General Workers Union of Canada, (CAW-Canada) and its Local 1451.

31. "Unscheduled Short Work Week" means a Short Work Week as described in Section 6.05 (d).

32. "Week" when used in connection with eligibility for and computation of Regular Benefits with respect to an employee means:

(a) a period of layoff equivalent to a work week, or

(b) a work week for which the total pay received or receivable by an employee from the Company (including holiday pay and vacation pay considered applicable to such work week) and any amount of pay which could have been earned, computed as if payable, for hours made available by the Company but not worked (excluding however, hours not worked which the employee had an option to refuse under the Collective Agreement) is less than 75% of his weekly straight-time pay plus \$1.50 for each of not more than four (4) dependents.

(c) A Short Work Week

"Week of Layoff" shall include any such week, provided however, that if there is a difference between the starting time of a work week and of a week under Employment Insurance, the work week shall be paired with the week under Employment Insurance which corresponds most closely thereto in time, and provided further, that if an employee is ineligible for an Employment Insurance Benefit because of any of the reasons set forth in Section 1.01 (b) (excluding the reasons under item (iv) thereof) for the entire continuous period of layoff, the week under the Employment Insurance System shall be deemed to be the same as the work week.

If an employee becomes ineligible for an Employment Insurance Benefit because of any of the aforementioned

reasons during a continuous period of layoff, the week under Employment Insurance shall continue to mean, for the duration of the layoff period during which he so remains ineligible for an Employment Insurance Benefit, the seven (7) day period for which an Employment Insurance Benefit was last paid to the Employee during such continuous period of layoff. Each week within a continuous period of layoff does not constitute a new or separate layoff.

33. "Work Week" or "Pay Period" means a period commencing with 11:00 p.m. Sunday and ending 168 hours thereafter.
34. "Pension Plan" means the pension agreement dated April 25, 1994 between the Company and the Union that will provide pension benefits to certain hourly-rated employees in the Bargaining Unit.

## **PART C SEPARATION PAYMENT PLAN**

### **Section 1 ELIGIBILITY**

An employee shall be eligible for a Separation Payment if:

- a) He is laid off from the bargaining unit for a continuous period of at least 12 months (or any shorter period determined by the Company) and such layoff was not the result of any of the circumstances or conditions set forth in Section 1.02 (b) (ii) of the Supplemental Unemployment Benefit Plan, provided however, that an employee shall be deemed to have been on layoff from the Company for a continuous period if, while on layoff, he accepts an offer of work by the Company and subsequently is laid off again within not more than five (5) work days from the date he was reinstated.

- b) He had one (1) or more years of seniority on the last day on which he was on the Active Employment Rolls and such seniority has not been broken on or prior to the earliest date on which he can make application.
- c) He is not eligible to receive a pension or retirement benefit other than a deferred pension or a deferred retirement benefit under any Company plan or program then in effect.
- d) He has not refused an offer of work pursuant to any of the conditions set forth in Section 1.02 (b) (iii) of the Supplemental Unemployment Benefit Plan on or after the last day he worked in the Bargaining Unit and prior to the earliest date on which he can make application.
- e) He has made application for a Separation Payment within 24 months from the commencement of his layoff, provided however, that no application may be made prior to the completion of 12 continuous months of layoff from the Company (or any shorter period determined by the Company); and
- f) His application is received by the Company during a pay period when the CUCB for such pay period is equal to or in excess of \$171.50 for pay periods commencing on or after April 2, 1990, provided however, that applications of otherwise eligible employees received during a pay period described above in which the CUCB for such period is less than the CUCB 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 CUCB becomes equal to or in excess of the amount stated in subsection (f)(1) for such period. When the CUCB becomes equal or in excess of the amount stated in subsection (f)(1), such separation payments shall have priority of payment over any other applications for separation payments, provided, however, if in the opinion of the Board, the assets in the Fund are or may become insufficient to pay regular benefits and separation payments with

respect to all applications on file, the Company may take such action as it deems appropriate, including deferral of payment of separation payments otherwise payable, to facilitate the priority of payment of regular benefits over separation payments. Nothing in this subsection (f) shall be construed to alter in any respect, the provisions of Section II of this Part C with respect to liabilities under the Separation Payment Plan.

**Section 2 PAYMENT**

- a) A separation payment shall be payable by the Company and only in a lump sum.
- b) Determination of Amount
  - I. The separation payment shall be an amount determined by multiplying
    - (1) the employee's base hourly rate (including any applicable additional cost-of-living allowance in effect on the last day he worked in the bargaining unit but excluding all other premiums and bonuses of any kind) by
    - (2) the applicable number of hours pay as shown in the following table:

**SEPARATION PAYMENT TABLE**

<b>Years of Seniority on the Last Day On the Active Employment Rolls</b>	<b>Number of Hours Pay</b>
1 but less than 2 .....	50
2 but less than 3 .....	70
3 but less than 4 .....	100
4 but less than 5 .....	135
5 but less than 6 .....	170
6 but less than 7 .....	210
7 but less than 8 .....	255

8 but less than 9 .....	300
9 but less than 10 .....	350
10 but less than 11 .....	400
11 but less than 12 .....	455
12 but less than 13 .....	510
13 but less than 14 .....	570
14 but less than 15 .....	630
15 but less than 16 .....	700
16 but less than 17 .....	770
17 but less than 18 .....	840
18 but less than 19 .....	920
19 but less than 20 .....	1000
20 but less than 21 .....	1085
21 but less than 22 .....	1170
22 but less than 23 .....	1260
23 but less than 24 .....	1355
24 but less than 25 .....	1455
25 but less than 26 .....	1560
26 but less than 27 .....	1665
27 but less than 28 .....	1770
28 but less than 29 .....	1875
29 but less than 30 .....	1980
30 and over .....	2080

II. If the CUCB as of the date application is received by the Company is below \$275, the amount of such separation payment shall be reduced by 1% for each full \$2.75 but which the CUCB is less than \$275 as of such date; provided however, that with respect to separation payments deferred under Section 1(f) because the CUCB is less than \$171.52 for pay periods commencing on or after April 2, 1990 the CUCB in effect as of the date cheque in payment of the separation payment is issued shall be used in the above computation in lieu of such CUCB on the date the application was received.

III. The amount of a Separation Payment as initially computed shall be reduced by:

- 1) the amount of any payment, financed in whole or in part by the Company, received or receivable on or after the last day the employee worked in the bargaining unit, with respect to any layoff or separation from the Company (other than a Regular Benefit, Levelling Week Benefit, an Automatic Short Week Benefit, or an Employment Insurance Benefit);
  - 2) the amount of any moving allowance deductible under Article XII of the Collective Agreement
  - 3) 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.
- IV. If any applicant has been paid a prior separation payment and thereafter was re-employed by the Company within three (3) years from the last day he worked in the bargaining unit, (A) Years of Seniority for purposes of determining the amount of his current separation payment shall mean the sum of the Years of Seniority used to determine the amount of his prior separation payment and the number of Years of Seniority acquired by him after he was rehired, and (B) there shall be subtracted from the Number of Hours Pay based on his Years of Seniority determined as provided in Section 2 (b)(iv) (A) above, the Number of Hours Pay used to calculate his prior separation payment.

### **Section 3 EFFECT OF SEPARATION PAYMENT ON SENIORITY**

An employee who is issued and accepts a separation payment, shall cease to be an employee and his seniority shall be deemed to have been broken as of the date his application for such separation payment was received by the Company; provided however, that if an employee who has been issued a separation payment returns it



to the Company within ten (10) working days of the issue date, his application for separation payment will be considered withdrawn and his seniority will not be considered to have been broken.

#### Section 4 COMPANY DETERMINATION OF ELIGIBILITY

The Company shall promptly determine the employee's eligibility for a separation payment, and the separation payment shall be paid or denied in accordance with such determination.

#### Section 5 OVERPAYMENTS

If the Company or the Board 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 former employee 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 Section 6.05 of the Supplemental Unemployment Benefit Plan.

#### Section 6 REPAYMENT

If a former employee is re-employed by the Company after he has received a separation payment, no repayment (except as provided in Section 5) by him of such separation payment shall be required or allowed and no seniority cancelled in connection with such separation payment shall be considered except for the specific purpose provided in Section 2 (b) (iv).

#### Section 7 NOTICE OF APPLICATION TIME LIMITS

The Company shall provide written notice of the time limits 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 known address according to the Company's records not

later than 30 days prior to both the earliest and the latest dates as of which he may apply pursuant to the provisions of Section 1 (e).

#### **Section 8 BOARD OF ADMINISTRATION**

The Board shall be empowered and authorized and shall have jurisdiction to direct the Company to make separation payments pursuant to determinations made by the Board.

#### **Section 9 REPORTS BY THE COMPANY**

- a) The Company shall furnish the Board and the Union quarterly a listing showing the names of the persons who during the preceding calendar quarter, accepted a separation payment together with both the individual gross and net amounts of such separation payments.
- b) The Company shall furnish to a Union member of the Board a copy of each application for a separation
- c) payment and a copy of all Company determinations of separation payment ineligibility or overpayment.

#### **Section 10 ARMED SERVICES**

An employee who enters the Canadian Armed Forces directly from the employ of the Company shall, while in such service, be deemed for the purposes of the Plan to be on leave of absence and shall not be entitled to any separation payment.

#### **Section 11 GENERAL**

- a) The provisions of these Sections 1 through 13 constitutes the entire Separation Payment Plan(hereinafter referred to as the Plan) and express each and every obligation of the Company with respect to the financing of the Plan and providing for separation payments.

The Board, the Company 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.

Notwithstanding the above provisions, nothing in this section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- b) No separation payment paid under the Plan shall be considered a part of any employee's wages for any purpose. No person who receives any separation payment shall for that reason be deemed an employee of the Company during such period.
- c) No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Collective Agreement.

#### **Section 12 AMENDMENT AND TERMINATION OF THE PLAN**

So long as the Agreement of which this Plan is a part 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 of the Agreement. Upon the termination of the Agreement, the Company shall have the right to continue, modify, amend, suspend or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.

#### **Section 13 DEFINITIONS**

Any term used herein which is a defined term in the Supplemental Unemployment Benefit Plan shall, unless specifically defined herein, have the same meaning for the purposes of this Plan as such term has under the Supplemental Unemployment Benefit Plan.

As used herein:

1. "Active Employment Rolls"

An employee whose seniority rights have not ceased is considered to be on the Active Employment Roll of the Company when working and receiving pay for some portion of a given pay period or who is absent from work because he is on a paid vacation or on an authorized leave of absence for illness or other approved reasons as provided by the terms of the Collective Agreement,

2. "Base Hourly Rate" means with respect to a separation payment, the employee's average prevailing hourly rate during the eight (8) full pay periods immediately preceding such employee's last day worked with the Company.

3. "Plan" means the Separation Payment Plan as set out in this Part C.

PART D  
AUTOMATIC SHORT WEEK BENEFIT PLAN

Section 1 ELIGIBILITY

a) An employee shall be eligible for an Automatic ShortWeek Benefit for any week beginning on or after April 1, 1974 if:

(i) during such week he performed some work for the Company or received some jury duty pay or bereavement pay from the Company but had less than forty (40) Compensated or Available Hours or he receives only holiday pay and for the immediately preceding work week, he either received an Automatic Short Work Week Benefit or had forty (40) or more Compensated and Available Hours.

- (ii) he had at least one (1) year of seniority as of the last day of such week or he had at least one (1) year of seniority and during such week he had a break in seniority by reason of death or retirement under the Pension Plan, and
  - (iii) he was on a qualifying layoff, as described in Section 1.02 of the Supplemental Unemployment Benefit Plan for some part of such week, or he was ineligible as deemed under the Collective Agreement for pay from the Company for all or part of a period of jury duty or bereavement during the week and during all or part of such period he would otherwise have been on a qualifying lay-off under this Plan.
- b) No application for an Automatic Short Week Benefit shall be required of an employee. However, if an Employee believes himself entitled to
- (i) an Automatic Short Week Benefit for a week which he does not receive on the date when such Automatic Short Week Benefits for such week are paid or
  - (ii) an Automatic Short Week Benefit in an amount greater than he received, he may file written application therefore within 60 calendar days after such date in accordance with procedures established by the Company. An employee shall forfeit permanently all Credit Units with which he shall have been credited under the Supplemental Unemployment Benefit Plan if he willfully misrepresents any material fact in connection with any such application.
- c) An Automatic Short Week benefit payable for a week shall be in lieu of any other benefit under the Supplemental Unemployment Benefit Plan for that week.
- d) If an employee is laid off during a work week without having been given notice of intent to work overtime prior to the lay-

off, any overtime in excess of two (2) hours which is worked or available in such work week and following such layoff will not be included in determining Compensated or Available Hours, notwithstanding Section 9 (2) of this Plan. Without limiting the meaning of such notice, it includes posting of the overtime schedule which would be applicable to the employee or an offer of work to the employee.

**Section 2 AUTOMATIC SHORT WEEK BENEFIT AMOUNT**

- a) The Automatic Short Work Week Benefit payable to an eligible Employee for any week shall be an amount equal to the product of the number by which forty (40) exceeds his compensated or available hours, computed to the nearest tenth of an hour, multiplied by 80% of his Base Hourly Rate for the Short Work Week involved less any Employment Insurance Benefits he receives or is eligible to receive for such week.
- b) Notwithstanding any other provisions of this Plan:
  - (i) Any Automatic Short Week Benefit with respect to an unscheduled short work week shall be reduced by 20% but in no event to less than \$5 by reason of such reduction if:

<b>The Week for which such Benefit is paid:</b>	<b>The CUCB applicable to the Week for which a Benefit is paid is:</b>	<b>And as of the last day of the Week for which such Benefit is paid to the Employee, his seniority is:</b>
Commences on or after April 2,1990	\$53.00-\$171.49 Below \$171.50	1 to 10 years 10 to 20 years

- (ii) If the CUCB for any week shall be less than \$53.00 for weeks beginning on or after April 2, 1990, no benefit for such week (other than an Automatic Short Work Week Benefit for a Scheduled Short Work 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) The Company shall deduct from the amount of any Automatic Short Week Benefit as computed under this 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.

### **Section 3 METHOD OF PAYMENT**

Automatic Short Week benefits shall be payable by the Company.

### **Section 4 COMPANY DETERMINATION OF ELIGIBILITY**

The Company shall promptly determine the Employee's eligibility for an Automatic Short week benefit, and the Automatic Short Week Benefit shall be paid or denied in accordance with such determination. If the company determines that an Employee is not entitled to an Automatic Short Week Benefit with respect to the week for which application for an Automatic Short Week Benefit is made, it shall notify him promptly, in writing, of the reason(s) for the determination.

### **Section 5 OVERPAYMENT**

- a) If the Company or the Board determines that any Automatic Short Week Benefits paid under this plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the Employee receiving such Automatic Short Week Benefit(s) and he shall return the

amount of the overpayment to the Company; 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 limitation shall be applicable in cases of fraud or wilful misrepresentation. Such 120 day limit for notifying Employees of any Automatic Short Week Benefits overpayment which results from a Company error in calculating an Automatic Short Week Benefit shall be determined as beginning on the date of transfer to the Employee's bank account.

- b) 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 (other than overpayment of Automatic Short Week Benefits paid for Scheduled Short Work Weeks in pay periods with respect to which the CUCB is less than \$725) by making a deduction from any future Automatic Short Week Benefits (not to exceed \$20 from any 1 Automatic Short Week Benefit except in cases of fraud or wilful misrepresentation) otherwise payable to such Employee by the Company, or to make a deduction from compensation payable by the Company (including without limitation, Regular Benefits and Separation Payments) to such Employee (not to exceed \$50.00 from any pay deposit except in cases of fraud or wilful 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 amount deducted to the Trustee.
- c) If the Company determines that an Employee has received an Automatic Short Week Benefit for any week for which he has received an Employment Insurance Benefit not offset as provided in Section 2 (a), the amount of such Automatic Short Week Benefit, or a portion of such benefit equivalent to the Employment Insurance Benefit, whichever is less, shall be treated as an overpayment in accordance with this Section.



- d) The Company may adjust for any overpayments or underpayments of the amount of an Automatic Short Week Benefit at the same time as related adjustments are made with respect to any wages of the same work week. Such Automatic Short Week benefit adjustments shall be shown on the pay statement or other equivalent record given to the Employee. Such pay statement or equivalent record shall constitute a determination which may be appealed in accordance with the procedure outlined in Section 4.03 of the Supplemental Unemployment Benefit Plan.

**Section 6 REPORTS BY THE COMPANY**

- a) Within ten (10) working days after the commencement of each month, the Company shall furnish to the Union a statement showing the number and amounts of Automatic Short Week Benefits, if any, paid by the Company during each week of the preceding month.
- b) The Company shall furnish promptly to a Union member of the Board a copy of all Company determination of Automatic Short Week Benefit ineligibility or overpayment.

**Section 7 GENERAL**

- a) The provisions of these sections 1 through 9 constitute the entire Automatic Short Week Benefit Plan (hereinafter referred to as the Plan) and express each and every obligation of the Company with respect to the financing of this plan and providing for Automatic Short Week Benefits.

The Board, the Company, 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 any authorized representative of any of the others.

Notwithstanding the above provisions, nothing in this section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- b) No question involving the interpretation or application of the plan shall be subject to the grievance procedure provided for in the Collective Agreement.

#### **Section 8 AMENDMENT AND TERMINATION OF THE PLAN**

So long as the Agreement of which this plan is a part 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 the agreement. Upon the termination of the agreement, the Company shall have the right to continue this plan in effect and to modify, amend, suspend or terminate this plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.

#### **Section 9 DEFINITIONS**

Any term used herein which is a defined term in the Supplemental Unemployment Benefit Plan shall, unless specifically defined herein, have the same meaning, for the purposes of this plan, as such term has under the Supplemental Unemployment Benefit Plan. As used herein:

1. "Base Hourly Rate" means:
  - (a) In the case of a non-incentive Employee, his current hourly rate not including overtime premium or shift premium in effect in the pay period immediately prior to the current pay period, and, in the case of an incentive or piece work Employee, his average hourly rate earned but not including overtime premium or shift premium for the hours worked during the last pay period paid prior to the

current pay period;

- (b) The Base Hourly Rate as determined under (a) above, shall be adjusted to include the amount of any wage increase which became effective pursuant to the Collective Agreement during the pay period in which the short work week occurs. In such event the amount of any wage increase shall be the amount applicable to the job classification in which the Employee worked in on the last day prior to his layoff in that pay period. The Base Hourly Rate adjustment due to the increase shall be effective with respect to Automatic Short Week Benefits which may be payable for that week;
2. "Compensated or Available Hours" for a Week shall be the sum of:
- (a) all hours for which an Employee receives pay from the Company (including call-in pay and holiday pay but excluding vacation pay except as provided in Section (e) below) with each hour paid at premium rates to be counted as 1 hour.
  - (b) all hours scheduled or made available to the Employee by the Company but not worked by the Employee, after reasonable notice has been given to the Employee (including any period on leave of absence), excluding available overtime hours for an Employee who was prohibited from working such overtime hours due to a medical restriction as per letter #14 of the Collective Bargaining Agreement, concerning the number of hours that the Employee could work on a given day or in a given week.
  - (c) all hours not worked by the Employee because of any of the reasons disqualifying an Employee from receiving a Regular Benefit under Section 1.02 (b)(ii) and 1.02 (b) (iv) of the Supplemental Unemployment Benefit Plan;

- (d) all hours not worked by the Employee which are in accordance with a written agreement between the local Management and the local Union or which are attributable to absenteeism of other Employees;
  - (e) all hours represented by vacation pay, paid pursuant to the Vacation With Pay Plan, Article XIII of the Collective Agreement, on the basis that 40 hours, or such fewer hours for which vacation pay was received, shall be applicable to the first vacation week to which the Employee is entitled under Article XIII of the Collective Agreement and the remainder of such vacation hours, if any, shall be applied to any additional week of Company designated vacation received by the Employee;
  - (f) Notwithstanding the above, the maximum deduction for compensated or available hours for a week shall not exceed two (2) hours.
3. "Plan" means the Automatic Short Week Benefit Plan set forth in this Part D.
  4. "Week" when used in connection with eligibility for and computation of Automatic Short week Benefit with respect to an Employee means a Short Work Week.
  5. "Pension Plan" means the pension agreement dated April 25, 1994 between the Company and the Union that will provide pension benefits to certain hourly rated Employees in the Bargaining Unit.

LETTER OF UNDERSTANDING

Mr. M. King  
Mr. K. Pickering

Gentlemen:

Employee Application for Regular Benefit

As per the S.U.B. Agreement, Article 4, Section 4.01 (a) “no application for a Regular Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the week with respect to which it is made, etc.”

Since we do not require the Employee to make a formal application to the Personnel Department for a Regular Benefit, we will treat the appropriate application to the Employment Insurance Commission as representing the application to the Company.

Therefore, an Employee will not be eligible for a Regular Benefit if the E.I.C. application is made 61 or more calendar days after the end of the subject Benefit week.

Very truly yours,

A.D. Collins  
Employment & Benefits Manager

LETTER OF UNDERSTANDING

Mr. M. King  
Mr. K. Pickering

Gentlemen:

Employment Insurance Benefit Cheque Delays

In view of the lengthy processing time required for the issuance of Employment Insurance Benefit cheques and the Union's request for some type of "advance payment" of Regular Benefits in certain layoff conditions, the Company will examine G.M. of Canada's resolution of the problem and explore with the Local Union the feasibility of introducing similar procedures at the Kitchener Plant.

Very truly yours,

A.D. Collins  
Employment & Benefits Manager

PLAN AMENDMENT  
BUDD CANADA INC.  
SEPARATION PAYMENT PLAN AND  
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

WHEREAS BUDD CANADA INC. (The “Company”) has established a Supplemental Unemployment Benefit Plan and a Separation Payment Plan (The “Plan”), effective April 18, 1977, and subsequently amended;

AND WHEREAS under Section 1.05(c) of the Agreement concerning the Plan, the Company may make revisions in the Plan not inconsistent with the purpose, structure and basic provisions thereof which shall be necessary to maintain the Governmental Rulings (Section 1.05(a) of the Agreement or Section 7.02 of Part A of the Plan);

AND WHEREAS such a revision has been deemed necessary by Employment and Immigration Canada;

NOW THEREFORE, THE PLAN IS AMENDED effective April **22, 2000**, by deleting the following provisions in their entirety and replacing them with the attached corresponding provisions:

Part B Section 1.01  
Section 1.03 (a) (b)  
Section 2.01 (a) (i) (ii)  
Section 2.02 (a) (i) (ii) (iii) (vi)  
                  (b) (i) (ii) (iii)  
Section 2.05 (a)  
Section 3.04 (a) Table  
Section 4.01 (a)  
                  (b) (ii) 1, 2  
Section 6.03  
Section 6.05 (a)  
Section 7.01 (a)  
Section 7.03

Section 7.04 (a) Article 9 #27 28 29 32 (a) (b) (c)

Part C Section 1 (a) (d)  
Section 2 (b) (iii) 1  
Section 5  
Section 13

Part D Section (a) (iii) Section 2 (a)  
(b) (ii) Section 5 (c) (d)  
(c) Section 9 (1st paragraph) 2 (c)

IN WITNESS WHEREOF, this amendment is executed on behalf of Budd Canada and C.A.W. Local 1451 by their duly authorized representatives.

FOR BUDD CANADA:

FOR C.A.W. LOCAL 1451:

\_\_\_\_\_  
Dave Robinson  
Controller & Chief  
Operating Officer

\_\_\_\_\_  
Michael King  
Plant Chairperson

\_\_\_\_\_  
Anthony Collins  
Employment & Benefits Mgr.

\_\_\_\_\_  
Kenneth Pickering  
Benefits Representative



## INCOME SECURITY

### INCOME PROTECTION FOR PERMANENT JOB LOSSES

During 1997 negotiations the parties discussed the extensive structural change that has already, and will continue to take place, in the North American automotive industry. Our discussions focused on two key aspects of this complicated issue: the need to maintain Budd Canada Inc. as a productive manufacturer of world class quality products in the North American automotive market and to ensure that Budd Canada employees, who contribute to the success of the Company, have their jobs and incomes protected as specific restructuring actions are taken. In addition, we have recognized the importance of the parties continuing an ongoing dialogue about all the aspects of the business to ensure that these important goals are achieved.

With these objectives in mind, we have agreed that the understanding listed below will govern the parties in the event that restructuring actions may result in permanent job losses. These permanent job losses are those occasioned by specific actions initiated by the Company and are defined as follows: (1) New Technology refers to existing jobs or new jobs that have been in the plant for at least one year or in the case of incentive jobs, the one year will commence when a rate is placed on the job. New work or customer engineering changes are not qualified as new technology. New Technology is further defined as automation and robotic applications, technical processes that eliminate manual operations, or the operations done by other machines that lead to a loss in jobs. (2) Outsourcing which refers to the resourcing of production contracts that are currently being manufactured in the Kitchener Plant, but not outsourcing at the direction of the customer.

The above situations would be actions contemplated by this understanding. This understanding would not apply to permanent

job loss resulting from the reduction of employees on temporary assignment or product life cycles or normal cyclical fluctuations in demand and production, except that job losses resulting from customer decisions causing the permanent loss of the Chrysler 'C Body', G.M. 'C/H Car' and/or 'Lincoln Mk VII Crossmember' contract will be considered covered permanent job losses.

It does not apply to permanent job losses arising from the consolidation or elimination of certain job classifications and permanent job loss due to improved efficiency as a result of the performing of incidental work or work rule flexibility. It is also understood that this program does not replace the ongoing discussions which continually take place regarding production standards and manpower requirements.

Where such permanent loss of jobs is considered, six months notice will be provided to the Union in the case of a potential permanent job loss related to the specific actions as referred to above. The information supplied to the Union will include the number of employees who could potentially be impacted and the rationale for the decision. It is understood that the information will be used for discussions between the parties and will be considered confidential. The Union will have the opportunity to make proposals which could alter or modify the decision.

During the course of these discussions, the objectives of the parties will be the retention of employees associated with the jobs in question. To that end, the parties will discuss opportunities to retain or replace employees associated with the jobs that are being discontinued. Should no layoffs occur within 12 consecutive months following the implementation of New Technology or Outsourcing, then no income protection opportunities will become available as a result of such job loss. The Union will have thirty days from the date of notice to make proposals which could make it feasible to retain or replace employees associated with the jobs in question,

If job losses become unavoidable and management decides to reduce the size of the workforce, every effort will be made to use attrition to manage the required reductions.

In the event management decides that workforce reductions resulting in permanent job loss covered by this program cannot be accomplished in a timely and efficient manner through normal attrition, the following steps will be taken, separately for non-skilled employees and for skilled employees by trade.

The following procedures are being implemented to offer employees who qualify under items #2, 3, 4 or 5 listed below, the opportunity to accept the described retirement options. Employees will be given 30 days to elect an option for which they are eligible following counselling sessions in which their options are explained by Union and Management.

#### TECHNOLOGICAL CHANGE/OUTSOURCING

- 1) Employees with less than one year of seniority will be placed on layoff.
- 2) If the number of separations that can be accomplished through implementation of (1) above is less than the number of jobs that will be lost, employees at any age who have 28.1 or more years of credited or continuous service will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits.

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under (1) above, exceeds the number of jobs that will be permanently lost, this offer will be implemented in order of seniority for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost.

- 3) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (excluding those who may also be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and credited or continuous service equal to 85 or more will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the two preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost.
- 4) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (including those who also may be in (2), and (3) above) who are age 55 or more but less than age 65 and who have 10 or more years of credited or continuous service, will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits and special early retirement effective after 52 weeks of layoff.

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the three preceding steps, exceeds the number of jobs that will be permanently lost, special early retirements will be approved in seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

- 5) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who are age 60 or older but less than age 65 and have 10 or more years of credited or continuous service (excluding those who may also be in (2), (3) or

(4) above) or age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of credited or continuous service will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the four preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost.

- 6) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of seniority (excluding those in (2), (3), (4) and (5) above) will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits and may apply for VTEP after 52 weeks of layoff. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

In the event an increase in workforce is required, employees will be recalled beginning with the most senior of those employees laid off under Step I and/or laid off for reasons other than Steps 2, 3, 4, 5 or 6.

If these measures fail to stimulate the necessary workforce reductions, the reduction in force provisions of the Collective Agreement will be implemented. An employee with 5 or more years of company service who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and credited or continuous service requirements for regular or special

early retirement, will be eligible to apply immediately upon layoff for a lump sum payment under VTEP.

An employee with 5 or more years of company service who elects not to apply for VTEP after 52 weeks of layoff, will be eligible to make subsequent application for such a payment provided that he/she does not meet the age and credited or continuous service requirements for regular early retirement at the time application is made and did not meet the age and credited or continuous service requirements for special early retirement at the time of layoff and provided further, that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

The above commitments were executed in a spirit that recognizes the need to ensure that Budd Canada operations produce world-class quality products as efficiently as possible.

Whenever the Company is able to secure new business, it will receive credit for the creation of new jobs resulting from that business. For each two (2) new jobs created, the Company will be credited with one (1) job. The jobs credited to the Company will be banked for one year or in the case of incentive jobs, one year from date rate is placed on the job and used to offset future Income Protection obligations for job losses under the Agreement to the extent there are jobs remaining in the bank.

That recognition, coupled with the commitments we have negotiated to protect the jobs and incomes of our employees, should help to assure that both parties achieve our shared objective of maintaining Budd Canada as a viable entity in the North American automotive market.

## PLANTCLOSURE

During 1991 negotiations, in a separate letter between the parties, we described the process that would be followed in the event that restructuring actions may result in permanent job losses. In that letter, we agreed that the objective of the parties will be the retention of the jobs in question. We also agreed that if job losses become unavoidable, every effort will be made to use attrition to manage the required reductions.

The instant letter describes the process that will be implemented, and the benefit entitlements that will be provided to employees in the event of a closure of the Kitchener facility.

One year of advance notice will be provided to the Union in the event of plant closure. The information supplied to the Union will include the number of employees impacted the rationale for the decision and the period of time over which the closure will be completed. It is understood that the information will be used for discussions between the parties, and will be considered confidential. The Union will have the opportunity to make proposals which could alter or modify the decision.

Subsequent to notice being provided, and as operations begin to wind down, the work force will be reduced in the following order-

- Step 1 employees with less than one year of seniority or hired or rehired after the date the closure was announced, will be placed on layoff as jobs are eliminated.
- Step 2 employees who are eligible to retire will be contacted regarding retirement under the regular early retirement provisions of the Pension Plan as jobs are eliminated.
- Step 3 employees who are within one year of retirement at the employee's option will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits.

Step 4 employees who are age 50 or older with 15 or more years of credited service and employees age 55 or older with 10 or more years of credited service, will be offered special early retirement, without Company consent, in accordance with the provisions of the Pension Plan as jobs are eliminated.

Step 5 employees with 5 or more years of company service who are otherwise eligible may apply for Voluntary Termination of Employment Pay, in accordance with the VTEP Plan.

Step 6 employees who have not elected retirement or VTEP will, if otherwise eligible, be entitled to SUB.

## **VOLUNTARY TERMINATION OF EMPLOYMENT PLAN**

### **Section 1. Eligibility**

An Employee at Work on or after May 7, 1991 shall be eligible for a Voluntary Termination of Employment Payment if he/she shall meet the conditions set forth below:

The Employee has at least 5 Years of company service under the terms of the Collective Agreement and is terminated from the active employment rolls of the Company, with eligibility for a Voluntary Termination of Employment Payment pursuant to the provisions for plant closing, contained in the document "Plant Closure" dated May 7, 1991 or step (6) of the provisions for permanent job loss in the parties understandings contained in the document "Income Protection for Permanent Job Losses" dated May 7, 1991 concerning benefit entitlements for permanent job losses under terms and conditions set forth in such understandings;



Conditions With Respect to Eligibility For VTEP Payment

The Employee,

- 1) had at least 5 Years of Seniority under the terms of the Collective Agreement on the last day the Employee Worked prior to the date of his/her application for a Voluntary Termination of Employment Payment and,
- 2) has not received on or after the Effective Date of the Collective Agreement dated May 7, 1991, a separation payment under the Separation Payment Plan applicable to Employees in his/her Bargaining Unit (or any other "Separation Payment" Plan of the Company), unless the Employee returns to Work and thereafter works 5 years and thereby becomes eligible for any future Voluntary Termination of Employment Payments that may be available and,
- 3) is at the time he/she shall apply for a Voluntary Termination of Employment Payment not eligible to receive a monthly pension or a monthly retirement benefit other than a deferred pension or a deferred retirement benefit under any other Company plan or program then in effect and at the time such layoff became effective, did not meet the minimum age and credited service requirements for, or was not offered, special early retirement under the Retirement Pension Plan applicable to Employees in his/her Bargaining Unit and is not entitled to receive a pension benefit under the Retirement Pension Plan as a consequence of Section 75 of the Pension Benefits Act of Ontario, 1987, and,
- 4) has not been on layoff from the Bargaining Unit for a continuous period of 24 months and,

**Section 2. Determination of Amount and Payment**

- a) Voluntary Termination of Employment Payment shall be payable by the Company and only in a lump sum.
  
- b) The Voluntary Termination of Employment Payment payable to an Employee who shall meet the conditions of eligibility set forth in Section 1 of this Plan shall be an amount determined in accordance with the Employee's Years of Company Service on the last day worked prior to layoff for laid off employees. For eligible Employees with 5 or more Years of Company Service, the gross Payment amount will be in accordance with Table A below for eligible Employees qualifying as a result of a plant closing or Table B below for permanent job losses arising from specific actions initiated by the Company as set forth in the letter of agreement "Income Protection for Permanent Job Losses" between the parties.

**Table A**

<u>Years of Service</u>	<u>Plant Closure Amount</u>
5 to 6	25,000
6 to 7	27,000
7 to 8	29,000
8 to 9	31,000
9 to 10	33,000
10 to 11	35,000
11 to 12	37,000
12 to 13	39,000
13 to 14	41,000
14 to 15	43,000
15 to 16	45,000
16 to 17	47,000
17 to 18	49,000
18 to 19	51,000
19 to 20	53,000

20 to 21	55,000
21 to 22	57,000
22 to 23	59,000
23 to 24	61,000
24 to 25	63,000
25 and over	65,000

\* Fractional years of service shall be disregarded.

Table B

<u>Years of Service</u>	<u>Amount</u>
5 to 6	15,000
6 to 7	17,000
7 to 8	19,000
8 to 9	21,000
9 to 10	23,000
10 to 11	25,000
11 to 12	27,000
12 to 13	29,000
13 to 14	31,000
14 to 15	33,000
15 to 16	35,000
16 to 17	37,000
17 to 18	39,000
18 to 19	41,000
19 to 20	43,000
20 to 21	45,000
21 to 22	47,000
22 to 23	49,000
23 to 24	51,000
24 to 25	53,000
25 and over	55,000

\* Fractional Years of Service shall be disregarded.

(c) The Company shall deduct from the amount of any Voluntary Termination of Employment Payment as computed under this 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.

**Section 3. Voluntary Termination of Employment Payment Offsets**

Any Voluntary Termination of Employment Payment to an eligible Employee will be reduced by the Employee's outstanding debts to the Company or to trustees of any Company benefit plan or program, and by the amount of any pay in lieu of notice of termination of employment, mass termination or plant closing or similar payment required under Federal or Provincial law.

**Section 4. Relationship Between Governmental Required Separation or Severance Pay and Plan Benefits**

The Payments described in Section 2 shall be applied to reduce the amount of any separation, severance payment or similar payment required by Federal or Provincial law by reason of any plant closing.

**Section 5. Effect of Receiving Voluntary Termination of Employment Payment**

An Employee who accepts a Voluntary Termination of Employment Payment (i) shall cease to be an Employee and shall have Seniority cease as of the date the Employee's application for a Voluntary Termination of Employment Payment is received by the Company and (ii) shall have cancelled any eligibility the Employee may otherwise have had for Regular Benefits and a Separation Payment under the Supplemental Unemployment Benefit Plan and the Separation Payment Plan,

An Employee who receives a Voluntary Termination of Employment Payment, and who is subsequently re-employed by

the Company, will not be eligible for any future Voluntary Termination of Employment Payment until the Employee has Worked 5 years and thereafter becomes eligible for any future Voluntary Termination of Employment Payment that may be available under the Voluntary Termination of Employment Plan. No Service used to determine the amount of a previous Voluntary Termination of Employment Payment shall be used in determining a subsequent Voluntary Termination of Employment Payment.

#### **Section 6. Overpayments**

If the Company determines after issuance of a Voluntary Termination of Employment Payment that the Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee and such former Employee shall return the amount of the overpayment to the Company.

#### **Section 7. Financial Provisions and Liability**

- a) All Voluntary Termination of Employment Payments shall be payable by the Company.
- b) Voluntary Termination of Employment Payment Cheques Not Presented

If a cheque is issued as payment under the Plan and the amount of the payment is not claimed within a period of 2 years from the date such cheque was issued, the amount shall revert to the Company.

#### **Section 8. General**

- a) The provisions of these Sections 1 through 10 constitute the entire Voluntary Termination of Employment Plan and express each and every obligation of the Company with respect to financing of the Plan and providing for Voluntary Termination of Employment Payments.

The Company 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.

Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- b) No Voluntary Termination of Employment Payment paid under the Plan shall be considered a part of any Employee's wages for any purpose. No person who receives a Voluntary Termination of Employment Payment shall for that reason be deemed an employee of the Company during such period.

#### **Section 9. Amendment and Termination of the Plan**

So long as the **2000** Collective Agreements 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 the **2000** Collective Agreements. Upon the termination of the **2000** Collective Agreements, 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 Collective Agreements between the Company and the Union.

#### **Section 10. Definitions**

As used herein:

- 1) "Separation Payment Plan" means the Separation Payment Plan applicable to Employees in a Bargaining Unit.
- 2) "Plan" means the Voluntary Termination of Employment Plan.