

COLLECTIVE AGREEMENT

BETWEEN

THE NATIONAL STEEL CAR LIMITED

and

THE UNITED STEEL WORKERS OF AMERICA

NATIONAL STEEL CAR LIMITED

APRIL 6, 2003

**WORKING SAFELY
IS PART OF YOUR JOB**

Your Company, your Government and your Union have given a lot of time to research and development of safety codes which have proved of value in helping prevent injuries. Mostly, they are common sense precautions that all skilled workers naturally take because, in addition to preventing injuries, they are the best way of doing the job.

It is your responsibility to learn the safe job procedures that have been developed and to follow them at all times. Then you will be doing your part toward preventing injury to yourself and your fellow-workers.

Remember, all safety hazards and accidents should immediately be brought to the attention of your supervisor.

WE MUST ALL WORK TOGETHER TO WORK SAFELY

COMMITMENT TO QUALITY

The Company, the Union and all employees share a common commitment to the manufacture of products of the highest quality.

They recognize that the reputation and success of the Company in the past has come from its commitment to quality and customer satisfaction and they recognize that the continued success of the Company in the marketplace and the employment and well being of all employees depends upon the continuing ability of the Company to satisfy the needs of existing and new customers with the highest quality of design and workmanship in its products.

The parties therefore confirm their commitment to the manufacture of a quality product as having the highest priority and commit themselves to taking the necessary steps at all levels to achieve this end.

COLLECTIVE AGREEMENT
between
THE NATIONAL STEEL CAR LIMITED
and
THE UNITED STEELWORKERS OF AMERICA
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THIS AGREEMENT MADE AND ENTERED

INTO THIS 6TH DAY OF APRIL 2003

By and Between:

THE NATIONAL STEEL CAR LIMITED,

Kenilworth Avenue North, Hamilton, Ontario.

(Hereinafter referred to as the “**Company**”)

OF THE FIRST PART

And

UNITED STEELWORKERS OF AMERICA

(hereinafter referred to as the “**Union**”)

OF THE SECOND PART

ARTICLE I - SCOPE AND PURPOSE

1.01 The general purpose of this agreement is to establish collective bargaining relations between the Company and the Union, to continue the co-operation and spirit of good will between the Company and its employees, to provide machinery for the prompt disposition of grievances arising under this agreement, and to set forth negotiated conditions of employment for all employees who are subject to the provisions of this agreement. The Union recognizes that in order to provide a proper relationship between the parties, the Company must be kept in a strong competitive market position, which means it must produce at the best possible efficiency and lowest cost, consistent with fair labour standards, and the Union agrees to support the Company in attaining such objectives.

1.02 Wherever the masculine is used herein it shall be deemed to include the feminine.

ARTICLE II - NO STRIKES OR LOCKOUTS

- 2.01** The Union undertakes and agrees that while this agreement is in operation, neither the Union nor any employee shall take part in or call or encourage any strike, picketing, sitdown, slowdown, or any suspension of or stoppage of or interference with work or production which shall in any way affect the operations of the Company, nor shall there be any sympathy strikes or secondary boycotts, and the Company agrees that it will not engage in any lockout during the term of this agreement.
- 2.02** Any employee who participates in any of the foregoing conduct shall be subject to discipline up to and including discharge.
- 2.03** In the event of the Union or employees participating in activity prohibited by Article 2.01 hereof, all seniority rights under this agreement shall be suspended until such activity has ended.

ARTICLE III - RECOGNITION

- 3.01** As the Union was certified by the Ontario Labour Relations Board upon January 10, 1967, the Company recognizes the Union as the sole collective bargaining representative of the Company's employees, as designated herein in Article 3.02 hereof, at its Kenilworth Avenue plant in Hamilton, Ontario.
- 3.02** The bargaining unit for which the Union is recognized by the Company as the bargaining agent for purposes of collective bargaining is as follows:
- All employees employed by the Company at its Kenilworth Avenue North plant, Hamilton, Ontario, save and except:

1. Foremen
2. Supervisors
3. Persons above the rank of foreman or supervisor
4. Security guards
5. Office staff
6. Sales staff
7. Time study observers
8. Timekeepers
9. First Aid staff
10. Plant clerical personnel

3.03 The Company recognizes and will not interfere with the right of its employees to become members of the Union, and will not discriminate against, interfere with, restrain or coerce employees because of membership in the Union. The Union agrees that neither the Union nor its members will intimidate or coerce employees into membership and also that it will not solicit membership, collect dues, or hold meetings on Company property.

The distribution of Union information on Company property shall be carried out subject to the following conditions:

- (i) such distribution shall not take place during working hours,
- (ii) a copy of such Union information material shall be given to the Vice President of

Human Resources at least twenty-four (24) hours prior to being distributed.

The privilege of distributing Union information does not include the distribution of material with respect to municipal, provincial or federal politics or elections or support for or a position against a political party.

ARTICLE IV - REPRESENTATION

4.01 (a) The Union may designate and the Company will recognize a suitable number of department stewards, such number not to exceed forty-one (41), and a plant grievance committee of not more than three (3) members, one of whom shall be designated as Chairman. Such stewards must be employees of the department which they have been designated to represent, unless this provision is waived in writing by the Vice President of Human Resources. The offices of Chief Steward (Day Shift), Chief Steward (Afternoon Shift) and Chief Steward (Night Shift) may be added. When no day shift, afternoon shift, night shift or no shift is in operation, the applicable office of Chief Steward will cease to exist. No one shall be eligible to serve as department steward or plant grievance committeeman unless they are an active employee of the Company, and has at least one year's seniority in the case of a departmental steward and two year's seniority in the case of a grievance committeeman, unless this provision is waived in writing by the Vice President of Human Resources. The term "active employee" as used in this Article 4.01(a), shall mean an employee who is regularly at work and is not absent due to lay-off

except in the case of a member of the plant grievance committee on a continuous lay-off up to three (3) months, suspension or discharge pending grievance or arbitration, leave of absence, extended sickness or disability.

- (b) The Union will strive to place a minimum of one (1) steward in every department and/or facility on every shift, spread equally throughout the plant. Additional stewards, per department, facility or shift shall be created on the ratio of fifty (50) employees for one (1) union steward, to a maximum number of forty-one (41) throughout the plant;
- (c) The Union will inform the Company in writing of the identity of all stewards and grievance committee members, and the department and shift which each steward represents, and the Company shall not be obliged to recognize such personnel until it has been so informed.

The Union will have the right to appoint temporary stewards for second and third shift operations when the number of employees on such shift in a department reaches twenty (20). Such stewards will be withdrawn when the number of employees on the shift is reduced to fifteen (15) or less.

The Company will meet with the designated steward or grievance committee representatives, as the case may be, at the appropriate step of the grievance procedure with respect to the adjustment of grievances as provided in Article V entitled “**Grievance Procedure**”.

- 4.02** When there is an increase or decrease of working force, the number of stewards may be increased or decreased by mutual agreement in writing.

4.03 The Company will inform the Union in writing of changes of general foremen, foremen and supervisors in a department.

4.04 For the purpose of this agreement, the plant grievance committee and the stewards together with the officers of the Local Union referred to in Article 7.07 hereof, shall be deemed to be officials of the Union. The parties hereto agree that the Union officials occupy a position of leadership and responsibility to see that this agreement is faithfully carried out.

Union officials will be identified with coloured safety helmets (brown). The five Table Officers will be identified with burgundy coloured safety helmets.

4.05(a) No Union official shall leave his work to administer this agreement without requesting and obtaining the permission of his foreman or supervisor, and such permission will not be unreasonably withheld. The jurisdiction and duties of a steward shall be limited to the department or group of departments he represents. Where a steward is absent from work, the duties of that steward may be performed in his absence by the chief steward.

4.05(b) The Company agrees that while on company property and employed, two (2) Union officials as designated by the Union to the Vice President of Human Resources, will be allowed to carry cell phones for Union business. All calls are to be taken during lunch periods or breaks, otherwise such calls must be approved as per Article 4.05 (a).

4.06 The Company agrees to provide the Union's Grievance Committee with copies of all signed violation slips. A signed violation slip is one which has been signed by a member of management. The employee shall sign a receipt, however, should an employee refuse to do so, which refusal is hereby considered improper, his steward, or if there is none, a member of the Plant Grievance Committee shall sign such receipt. Inadvertent failure by the Company to comply with this clause shall not negate the violation slip. If an employee goes for 24 months without a disciplinary violation slip, all violation slips prior to such 24 months period will be removed from the employee's record.

4.07 An employee, whom the Company formally interviews on a matter which may lead to written discipline, suspension or discharge, will be advised by the General Foreman, Foreman, as the case may be, that he/she may, if desired, have the assistance of his Departmental Steward, or if there is none, a member of the Grievance Committee, or in specialized cases, a WSIB representative, any one of whom will be made available during such interview. If an employee is to be escorted off company property, the employee may request that the Union official representing him, also escort him.

ARTICLE V - GRIEVANCE PROCEDURE

5.01 The grievance procedures herein provided for are among the most important matters in the successful administration of this agreement. The Company and the Union therefore agree that the designated grievance procedure as hereinafter set forth shall serve as and constitute the sole and exclusive means to be utilized by the grievor for the prompt disposition, decision and final settlement of a grievance arising in respect of the interpretation or alleged violation of this agreement, and the specifically designated grievance procedure shall be properly followed. Wherever the term **“grievance procedure”** is used in this agreement, it shall be considered as including the arbitration procedure.

5.02 “Grievance” shall mean a complaint or claim concerning improper discipline or discharge, or a dispute with reference to the interpretation or alleged violation of this agreement.

5.03 The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step 2 of the grievance procedure within ten (10) days from the time the circumstances upon which the grievance is based were known or should have been known by the grievor. However, if the Company does consider or process a grievance which has been presented late, the Company must object in writing at Step 2 of the grievance procedure, if not, the grievance is arbitrable.

5.04 All time limits referred to in the grievance procedures herein contained shall be deemed to mean “working days”. Working days shall be deemed not to include Saturdays, Sundays or Statutory Holidays for the purposes of this Article.

5.05 An employee grievance shall be processed as follows:

STEP 1 If an employee has a grievance he/she shall first and immediately discuss the matter with the Department General Foreman or with his/her Department Foreman as the case may be. The employee will be given the assistance of his/her Departmental Steward, or if there is none, a member of the Grievance Committee, or in specialized cases, a WSIB representative, any one of whom will be made available. The Foreman shall give the grievor and union representative an answer within three (3) days of such meeting. If the foreman’s reply is not satisfactory, the next step shall be taken within five (5) days of the Foreman’s answer, but not thereafter.

STEP 2 At this step the grievance shall be reduced to writing and presented to the Vice President of Human Resources (or his designated representative) within the aforesaid five (5) days, but not thereafter. The written grievance shall identify: the facts giving rise to the grievance; the section or sections claimed violated; the relief requested and shall be signed by the employee and countersigned by his Department Steward or Plant Grievance Committeeman. A meeting will be held within sixty (60) days after the grievance has been submitted to the Company. The meeting will include the Plant Grievance Committee (which may be accompanied by the International Representative of the Union) and the Vice President of Human Resources and any other representative of management. The Union is permitted to the end of the aforesaid meeting, to

amend the written grievance. Such amendment shall be in writing and no further amendment will be permitted after such meeting. The Company will deliver its decision in writing to the Chairman of the Grievance Committee within five (5) days of such meeting; also, a copy of such written decision will be delivered to the International Representative of the Union. Further, the Company may allow up to eight (8) hours per week to hear such grievances.

STEP 3 If final settlement of the grievance is not reached at Step 2, then the grievance may be deferred in writing by either party to arbitration as provided in the next article “Arbitration”, at any time within thirty (30) calendar days after the decision is received under Step 2.

Arbitration:

1. The arbitration procedure in this Agreement shall be based on the use of a single arbitrator whose decision shall be final and binding upon the parties and upon any employee affected by it.
2. The single Arbitrator shall be designated by the employer and the Union.
3. Failing agreement on the selection of an Arbitrator within five (5) working days, the matter shall be referred to the Ministry of Labour, who shall appoint the Arbitrator.
4. (a) The Arbitrator shall not be authorized, nor shall the Arbitrator assume authority, to alter, modify, or amend any part of this agreement, nor to make any decision inconsistent with the provisions thereof, or to deal with any matter not covered by

this agreement.

- (b) If a grievor satisfies the Arbitrator that there was not just cause for their discharge, the Arbitrator shall have jurisdiction to modify the discharge.
 - 5. The fees and the charges of the Arbitrator shall be borne equally by the Company and the Union.
 - 6. Prior to proceeding to arbitration, either party may request Grievance Mediation Services in an attempt to try and resolve any differences between the parties that have been referred to arbitration. If an agreement to resolve the matter is reached, that decision will be final and binding on both parties and on the grievor. The fee for the services will be borne equally by the Company and the Union.
- 5.06** No matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the grievance procedure within the times specified at each step. The provisions of this clause shall not be considered to have been waived by the parties or either of them unless they expressly provide a waiver thereof in writing, signed by both parties.
- 5.07** A grievance which has been disposed of pursuant to the grievance provisions of this agreement shall not again be made the subject matter of a grievance.
- 5.08** Failure to put a grievance in writing at Step 2, in accordance with the requirements thereof shall be deemed a complete waiver and abandonment of the grievance by the grievor. Any grievance not appealed from one step of the grievance procedure to the next within the specified time limits shall

be considered settled on the basis of the last reply.

- 5.09** A decision or settlement reached at any stage of the grievance procedure shall be final and binding upon all parties hereto, including the complaining employee, and shall not be subject to reopening by any party except by agreement in writing. If the grievance is settled at Step 2 or 3 of the grievance procedure both the Company's Vice President, Human Resources and the Union representatives who pass on the same as provided herein, shall sign the settlement as endorsed upon the written grievance, so that no question or argument may arise as to what the settlement was. An allegation that either party has failed to comply with the terms of the written settlement of a grievance may be the subject of a grievance.
- 5.10** Whenever the Company requests a Union Representative who is an employee of the Company to leave their work area and confer upon Union matters, such employee shall be reimbursed by the Company for the time spent during their scheduled working hours at their regular rate including all premiums. The premiums shall be based on what they were to earn on that job that day.
- 5.11** If a representative of the International Union wishes to enter the plant to view an operation pertaining to any grievance which has reached Step 3 of the grievance procedure, he shall first request such permission from the Vice-President, Human Resources. Such permission will not be unreasonably withheld. The union representative shall at all times be accompanied by a member of the Vice-President, Human Resources' staff and shall be subject to all plant rules.
- 5.12** When an employee's grievance is settled by the parties or determined by a Board of Arbitration on the basis that the employee is entitled to be reimbursed for wages lost as a result of action on the

part of the Company in violation of this agreement, such reimbursement shall be retroactive to the date four (4) working days prior to the presentation of the grievance to the Company in writing at Step 2. Such reimbursement shall be at the employee's base rate inclusive of any premiums, for such hours as the employee would have worked for the Company if the violation had not occurred, but there shall be subtracted therefrom any monies the employee earned during such period. An employee will not be reimbursed for any time which they would have lost in the course of events other than as a result of the Company's aggrieved conduct.

5.13 Group Grievance

The Company will recognize a Group Grievance as one which directly affects a number of employees and in which the facts and issues in respect to each such employee are the same. In such cases, a single grievance shall be processed commencing at and in accordance with Step No. 2 of Article 5.05 within the times set out in Article 5.03, providing all grievors sign the grievance form. In the event a grievor or grievors are unable to sign the grievance form due to disability or other absence from work, their names shall be printed on the grievance form and initialled by the steward. A representative grievor will attend the grievance meetings.

5.14 Union Policy Grievance or Company Grievance

A Union Policy Grievance or a Company Grievance may be submitted to the Company or the Union, as the case may be, in writing within ten (10) days from the time the circumstances upon which the grievance is based were known or should have been known by the grievor. A meeting will be held within thirty (30) days of the presentation of the grievance and shall take place within

the framework of Step 2 of Article 5.05. The Company or the Union shall, as the case may be, give its written decision within five (5) days of such meeting. If the decision is unsatisfactory to the grieving party, the grievance may be submitted to arbitration within thirty (30) days of the delivery of such written decision and the arbitration sections of this agreement shall be followed. It is expressly understood that the provisions of this paragraph 5.14 may not be used by the Union to institute a grievance affecting an employee or employees which such employee or employees could themselves institute, and the provisions of Article 5.05 hereof shall not thereby be bypassed.

5.15 Discharge Cases

- (a) A claim by a seniority employee that he has been discharged without proper cause shall be treated as a grievance and shall commence at Step 2 of Article 5.05 provided a written grievance signed by the employee and his department steward is presented to the Vice President, Human Resources within five (5) days after discharge. The International Representative of the Union will be permitted to attend the meeting held pursuant thereto, with the Vice-President of Human Resources. The Union will not question the discharge of any probationary employee nor shall such discharge be the subject of a grievance.
- (b) Should the parties agree or should the arbitration board determine that a seniority employee has been discharged without proper cause, such employee shall be reinstated as an employee without loss of seniority and shall be compensated in accordance with the provisions of Article 5.12 hereof.
- 5.15 (c)** In the event that a grievance is lodged in accordance with the provisions of this Article 5.15, the company agrees to advise the employee, in writing, of the provisions under Article

5.15(c), which provisions provide that the employee will be permitted to continue at his own expense, his protection under the group insurance plans of Appendix "B", by paying the necessary premiums to the company as follows: Within 5 days of discharge - the amount of premiums sufficient to maintain coverage for the balance of the month, and thereafter, monthly in advance until the issue is resolved, but not to exceed twelve (12) months from the date of discharge. In the event an employee fails to make the necessary payments in advance, his coverage shall lapse. If the employee is reinstated by the Board of Arbitration and the company is ordered to reimburse him for earnings lost, he will also be reimbursed payments which he has made to such plans.

(d) The Company and the Union agree that the provisions of the Letter of Understanding found at the end of the Collective Agreement, titled "*Re: Human Rights and Sexual and Racial Harassment*", shall form part of and be incorporated into this Collective Agreement.

5.16 (a) Upon being notified of his discharge while at work, it shall be the duty of the employee to leave his department and go to the Vice-President, Human Resources' office. If the notification occurs outside of regular office hours or while the employee is not at work, the employee shall report to the Vice-President, Human Resources' office during the hours of the next regular day shift unless prevented from doing so by reasons beyond his control.

(b) The Vice-President of Human Resources will notify the Plant Grievance Chairman of the discharge in writing, including all three (3) day letters that result in discharge, within twenty-four (24) hours, all letters will be signed for by a member of the Grievance Committee in a log book located in Human Resources.

ARTICLE VI - MANAGEMENT RIGHTS

6.01 Except as, and to the extent specifically modified by this agreement, all rights and prerogatives

which the Company had prior to the execution of this agreement are retained by the Company and remain exclusively and without limitation within the rights of the Company and its management.

Without limiting the generality of the foregoing, the Company's rights shall include:

- (a) the right: to maintain order, discipline and efficiency; to make, alter and enforce, from time to time, reasonable rules and regulations, policies and practices, to be observed by its employees; to discipline and discharge employees for proper cause.
- (b) the right: to select, hire and control the working force and employees; to transfer, assign, promote, demote, classify, lay off, recall, suspend, and retire employees; to plan, direct and control plant operations; to select and retain employees for positions excluded from the bargaining unit and to transfer employees into the bargaining unit.
- (c) the right to determine: the location and extent of its operations and their commencement, expansion, curtailment, or discontinuance; the direction of the working forces; the products to be manufactured; the standards of production; the subcontracting of work; the schedules of work and of production, the number of shifts; the methods, processes and means of performing work; job content and requirements; quality and quantity standards; the qualifications of employees; the use of improved methods, machinery and equipment; whether there shall be overtime work and who shall perform such work; the number of employees needed by the Company at any time and how many shall operate or work on any job, operation, machine, or production line; the number of hours to be worked; starting and quitting time. And generally the right to manage the enterprise and its business without

interference are solely and exclusively the right of the Company.

- (d) The Company will provide the Union with at least seven (7) working days notification of the establishment of any new rule(s), regulation(s), which will apply to all employees of the bargaining unit.

6.02 In administering this Collective Agreement, the Company agrees to act reasonably, in a non-discriminatory fashion and in a manner consistent with the Agreement as a whole.

ARTICLE VII - SENIORITY

7.01 Definition of Seniority

When an employee has completed his or her probationary period in the manner set forth in Article 7.02 hereof, he or she will be considered to have attained seniority and shall have seniority rights to the extent provided in this agreement. When two (2) or more employees are hired on the same day, sequence numbers will be indiscriminately allotted and such number shall fix the employee's place on seniority lists. The seniority of present seniority employees shall be that which is presently established and in effect.

7.02 (a) Probationary Employee

An employee having less than five hundred and eighty (580) hours worked shall be considered a

probationary employee and will have no seniority rights, but when such rights are acquired, after working five hundred and eighty (580) hours, seniority will be regarded as having started from the employee's original date of hire. If a probationary employee's service is terminated for reasons other than lack of work the Company will so inform the employee at the time of termination. The Union will not question the lay-off or dismissal of any probationary employee, nor shall such lay-off or dismissal be the subject of a grievance.

7.03 Departmental Seniority

An employee who has completed his probationary period but has less than twenty-four (24) months of service shall be placed on departmental seniority list in line with his service with the Company.

7.04 Plant-wide Seniority

An employee having twenty-four (24) months or more of service shall be placed on the plant-wide seniority list in line with his service with the Company.

7.05 Seniority Lists

- (i) **Departmental** - The company will keep up to date departmental seniority lists which will include those employees laid off due to work shortage, and furnish the appropriate department list to the Chief Steward monthly.
- (ii) **Plant-wide** - During the first week of January and of July of each year the Company will furnish to the chairman of the plant grievance committee an up-to-date plant-wide seniority list.

7.06

For all employees who become Supervisors of the company, after April 6, 1999 or thereafter, having reverted back to the bargaining unit as provided herein, such employees shall be governed by the following provisions:

- (a) An employee promoted outside of the bargaining unit and later removed from such position but still in the employ of the Company, shall be reassigned to the job from which they were promoted with their former seniority date less any time spent outside of the bargaining unit. In the event that the employee being reassigned to the bargaining unit does not have the seniority to displace an employee in the job from which they were promoted, then that employee may exercise their seniority under Article 7.09. If an employee has been out of the bargaining unit for a total of twelve (12) consecutive months, the employee will lose all seniority rights.
- (b) For employees who were promoted outside the bargaining unit prior to April 6, 1999 and have remained outside of the bargaining unit, they will be credited with their seniority for both times spent inside and outside of the bargaining unit.
- (c) For employees who were hired directly into a position outside of the bargaining unit and are placed in to the bargaining unit, they will be deemed new employees with no seniority. During any period of layoff, these employees shall not be placed into the bargaining unit or in the position of Lead Hand.
- (d) The Company and the Union will meet monthly to discuss Company/Union relations.

7.07

Preferential Seniority _ Union Representatives

The Company agrees to accord a preferred seniority status to the President, Vice-President, Recording Secretary, Financial Secretary, Treasurer, Grievance Committeemen, Chairman of the Joint Health and Safety Committee, Chief Steward _ Day Shift, Chief Steward _ Afternoon Shift, Chief Steward – Night Shift and Departmental Stewards, not to exceed a total of thirty-one (31) in all, so that in the event of a reduction of working force the Union has adequate representation in the various departments consistent with employment in such departments provided that such Union representatives are qualified.

The Union shall have the right to designate in writing the employees who shall have preferred seniority, however, the list shall be limited to employees holding office in the Union. Whenever the Union wishes to substitute another person for one on the preferred seniority list it shall notify the Company in writing, and thereafter the person whose

preferred seniority has ceased shall resume his regular seniority. In no case shall the Company be obligated to recognize the preferred seniority status of a person who is not qualified.

Preferred seniority hereunder, of a Union official other than the Chairman of the Plant Grievance Committee, President and Vice-President, Chairman of the Joint Health and Safety Committee, Chief Steward _ Day Shift, Chief Steward _ Afternoon Shift and Chief Steward – Night Shift, shall be restricted to the department in which he is, at the time, regularly employed.

7.08

Whenever used in this agreement the word “**qualified**” or the like, shall mean that the person has the skill and the ability to enable the person to perform the work required in the classification in accordance with the Company’s quality and production standards, so that the person performs such after being given general information concerning it. In other words, the performance of work does not require a trial period or a training period but does permit a five (5) day familiarization period.

Whenever the question of whether an employee is qualified arises, it shall be the employee’s responsibility to satisfy the Company that he is qualified to perform the work of the classification (i.e. occupation) and he must do so at a time prior to his assertion thereof in the face of a lay-off, recall or transfer.

In response to the rising costs associated with training unskilled employees, newly hired employees in the following departments: Steel Fabrication, Wheel & Axle, Steel Construction, Equipment, Paint Shop, Shotblast and Cranes, will be paid a training rate which will be added to the wage rates listed in Schedule “A”. The application of the training rate will not exceed five hundred and eighty (580) hours worked.

The trainee rates shall apply to newly hired employees only. An employee who has previously lost recall rights with the Company will be exempt from the above rates upon rehire.

7.09 General Provisions Respecting Lay-off

- (1) When it is necessary to decrease the number of employees in a department, such reduction will be made as follows:
 - (a) Probationary employees in a department will be the first laid-off.

- (b) If further lay-offs are necessary in the department, departmental seniority employees will be laid-off in inverse order of seniority provided the remaining employees are qualified.
- (c) If further lay-offs are necessary in the department, a plant-wide seniority employee will be assigned by the Company to work being performed by an employee in another department with less seniority, provided he is qualified.

Notwithstanding the provisions of (a), (b) and (c) of this Article 7.09(1), in the event a vacancy exists in the plant at the time of such reduction of force, the Company shall have the right to assign an employee referred to in (a), (b) or (c) to such vacancy providing the employee is qualified.

(2) Notice of Lay-off

The Company agrees to give an employee two (2) full working days notice of lay-off except:

- (a) in case of recall to temporary work where the employee is advised of the temporary nature of the work and approximate duration thereof;
- (b) where failure to give such notice, or the reason for lay-off, is beyond the reasonable control of the Company;
- (c) lay-offs that occur pursuant to Article 7.12(1) of the Collective Agreement.

(3) Employee Payoffs

The following will be the procedure with regard to the paying off of terminated employees.

Employees who are laid-off - no work, will report to the Department of Human Resources at the date and time indicated by their foreman at the time lay-off notice is given. Receipts for Unemployment Insurance and O.H.I.P. will be mailed to employee's last known address. Wages due an employee can be picked up on their regular pay day or will be forwarded to the employee by mail should he so request. Vacation Pay will be available when the regular vacation pay is made up prior to the plant vacation shutdown. An employee terminated will receive receipts for his Unemployment Insurance and O.H.I.P. via mail to last known address. Wages and vacation pay due an employee can be picked up on the regular pay day or will be forwarded to the employee by mail should the employee so request.

(4) Notice to Union

In the case of layoff in a department, other than a layoff pursuant to Article 7.12(1), the company will give five (5) days' advance notice, such notice to be received before 11:00 a.m. on the first day, in writing, of the employees to be affected thereby to the Departmental Steward and in the absence of the Departmental Steward, to the Chief Steward.

7.10 (1) General Provisions Respecting Recall After Lay-Off

- (a)** When the Company decides to increase the work force, the laid-off person with plant-wide seniority at the time of his lay-off, will be recalled to the plant in accordance with his seniority providing he is qualified.
- (b)** Thereafter, when the Company decides to increase the work force, a laid-off person with departmental seniority at the time of lay-off will be recalled to the

department from which he was laid-off, in accordance with his seniority providing he is qualified.

(c) When a registered recall letter has been sent to a laid-off person instructing him to report to work within ten (10) working days from the date of such registration, the Company shall have the right to recall and employ other laid-off persons with less seniority, on work which may be immediately available during that ten (10) working day period, and in doing so, shall not be held in violation of this agreement.

(2) There shall be plant-wide preferred recall rights (i.e. recall from lay-off) for the five (5) table officers of the Union and the chairman of the grievance committee. The term "table officers" as used herein means the President, Vice President, Financial Secretary, Recording Secretary and Treasurer of the Local Union. In no case shall the Company be obligated to recognize the preferred seniority status of a person who is not qualified.

7.11 (a) Plant Wide Job Posting

When a permanent job vacancy which the Company requires be filled occurs in a department, and there are no qualified seniority employees laid-off from the plant, the Company agrees to advertise such permanent job vacancy on a bulletin board designated for such purposes for five (5) working days. Employees having seniority may bid for such vacancy. All employees interested in the job vacancy must make application within the five (5) working days that the vacancy is posted. The senior qualified applicant will be awarded the job. Nothing contained herein shall be interpreted as requiring the Company to fill any vacancy. If there are no suitable applicants, the Company will consider Requests for Transfer which have been filed by employees pursuant to the provisions of Article 7.11 (b) hereof. The job posting provided herein shall apply only in respect of the original vacancy and the vacancy resulting from the filling of the original vacancy and will not apply to subsequent vacancies. The following occupations shall be excluded from these job posting provisions: Helper, Janitor, Safety Equipment Maintenance and Repair, and Wicket Man. Employees who wish to transfer to such occupations will register with the

Human Resource Office a Request for Transfer. The Company will post the name of the successful applicant on the bulletin board and will forward a copy thereof to the Union within ten (10) working days after the posting comes down.

(b) A vacancy exists only when after the application of 7.11 (a) hereof, the number of employees in a department is to be increased for a reason other than set out in 7.11 (b) (i) hereof. In the filling of such vacancy the appointment will be given to the senior qualified applicant in the plant who has registered with the Human Resources Office a Request for Transfer (Inter-Departmental) to such different occupation in such different department in accordance with the following: An employee who desires a transfer to a different occupation for which he is qualified, in a department other than the one in which he is working, shall register with the Human Resources Office, on the Inter-Departmental Request for Transfer form, naming the change of occupation and department desired. An employee may cancel any such Request for Transfer at any time prior to his notification of transfer arising from such Request, but after such notification he must accept the transfer. When the employee has registered more than one Request for Transfer all the remaining applications by such employee shall be deemed cancelled after one such application has been implemented. A duplicate of each request will be given to the employee. The Company will not be obliged to consider any Request for Transfer if the employee had two transfers as a result of Requests during the calendar year beginning January 1st, or if he has not worked in his present department from which he is seeking transfer for at least ten (10) working days from the date of his last entry into such department. A Request for Transfer shall remain on file until the end of a current calendar year and will then be returned to the employee with notification that he may re-apply if he wishes. An employee absent from work for any reason will be deemed not available for transfer.

(b) (i) A vacancy shall be deemed not to exist where the increase is due to an employee's absence, illness, injury, leave of absence, or is the result of the assignment of a senior employee during a lay-off.

(c) No action will be taken on a Request for Transfer if it is registered subsequent to another employee having been informed of his assignment to the vacancy or a recall letter has been sent to a laid-off employee.

(d) A successful applicant may be required to wait until the Company can satisfactorily fill the vacancy, if any, being created by his transfer. However, such waiting period shall not exceed (10) working days.

(e) If a vacancy is not filled by means of the procedure set out in the Article 7.11, the

Company will fill the vacancy from any source.

(f) Notwithstanding the limitation in 7.11 (b) of two (2) transfers per year, an employee transferred to another department due to a reduction in force will be permitted to file a Request for Transfer back to his occupation in the department where he last worked when conditions in both departments permit, provided he has the necessary seniority. If the Company's requirements are such that he cannot be transferred forthwith, the transfer may be delayed for up to ten (10) working days. The Company will not be obliged to continue retransfers back through a series of departments but will have discharged this obligation with the initial retransfer.

(g) An employee who has been transferred to another department in the exercise of his seniority at the time of lay-off shall be notified of and offered the opportunity to transfer into his original department should a vacancy arise in his original department provided he has previously registered a Request for Transfer back to his original department with the Human Resources Office.

7.12 Exceptions and Modifications to the Foregoing General Provisions Respecting Lay-Off, Recall and Transfers

- (1) **Temporary Lay-Off** - In all cases of temporary lay-off (i.e. up to five (5) full regular working days) seniority need not be considered. No employee shall be temporarily laid-off out of seniority pursuant to this Article 7.12 (1) more than two (2) times in any calendar year. The Company will maintain data on temporary lay-offs pursuant to this Article 7.12 (1) and the Company and the Union will meet quarterly to discuss such data.
- (2) Notwithstanding the provisions of Articles 7.09, 7.10 and 7.11 hereof, in the event that a vacancy exists at the time of a reduction of force, the Company shall have the right to assign an employee affected by such reduction of force to such vacancy, providing he is qualified.

- (3) Seniority shall not apply in the case of an employee assigned, laid-off, or recalled to work during the period of the annual vacation shutdown or inventory shutdown. A laid-off person will not be obliged to return to work during this period.
- (4) No employee affected by a reduction of force shall be permitted to displace a junior employee on a line operation where the Company anticipates that the line will cease to operate within ten (10) working days thereafter.
- (5) (a) When the Company gives a line notice of completion date due to the phasing out of the order, there shall be no displacement up the line, in the exercise of seniority rights. A copy of such notice will be posted in the department.
- (b) During any new order startup production period, seniority need not be followed for a limited period of time not to exceed seven (7) working days. No employee will be laid-off out of seniority for more than ten (10) working days in any calendar year pursuant to Article 7.12 (4) and/or 7.12 (5) (b).
- (6) **Special Circumstances and Special Skills**
At each layoff and recall following layoff, the company may designate certain individuals to a maximum of 10, whose services are required under the special circumstances in existence, the names of such employees, their occupations, and the special circumstances will be furnished to the union in writing. Such employees may be retained or recalled regardless of seniority. The fact that an employee has been so designated shall not affect his regular seniority standing, and he shall resume same as soon as the special reasons in his case cease to exist. A qualified employee who is bypassed by the Company in the implementation of this Article 7.12 (6) in favour of an employee with less seniority, shall have the right to process a grievance in accordance with the provision of Article 5.05 hereof.

7.12(7) Technical Employees

To enable the Company to keep its products abreast of scientific and technical advance, it is agreed that the Company may from time to time, and without reference to the rules of seniority set out in the contract, employ and utilize a number of technical men or others, not to exceed ten (10) at any one time, as designated by the Company. A qualified employee who has been bypassed by the company in the implementation of Article 7.12(7), in favour of an employee with less seniority, shall have the right to process a grievance in accordance with the provisions of Article 5.05 hereof.

7.12(8) Training Course Employees

The Company shall have the right to employ and retain Company training course students and college undergraduates on work regularly performed by bargaining unit employees, without regard to seniority, provided that the total number of such employees at any one time does not exceed ten (10). The Company will notify the Union of any employees covered under this section. A qualified employee who has been bypassed by the company in the implementation of this Article 7.12(8) in favour of an employee with less seniority, shall have the right to process a grievance in accordance with the provisions of Article 5.05 hereof.

- (9) A seniority employee, who, due to a physical disability, is certified by the Company doctor as requiring work of a different nature from his regular work for an indefinite period of time will be assigned to any existing vacancy deemed to be suitable by the Company doctor, provided the employee is qualified and has the necessary seniority.
- If such a vacancy does not exist, and providing the employee has three (3) years seniority, he will be assigned to work being done by a shorter service employee either in his own or another department provided he is qualified to perform work which is considered suitable by the Company doctor. When it has been established that the employee is to be assigned

to displace an employee with less seniority, such assignment may be delayed for a period of up to three (3) days in order to provide for the necessary two (2) day notice of lay-off to the employee with less seniority.

(10) Non-Bargaining Unit Personnel

The Company agrees that except as otherwise permitted in this agreement, personnel of the Company for whom the Union is not by Article III hereof recognized as the bargaining agent, will not perform production work normally done by its employees covered by this agreement, if by doing so, present employees would suffer loss of regularly scheduled working time, except when necessitated by their managerial or other duties, such as:

- (a) instruction or training;
- (b) in the performance of work: during emergencies or during a line start-up; or for the purpose of investigating a line, inspection, experimentation, development and/or obtaining information; when production or equipment difficulties are encountered;
- (c) during periods when regular employees are absent.

- (11)** When a seniority employee subject to lay-off is to be assigned to another job and thereby will displace an employee with less seniority, the notice of lay-off given to the senior employee shall be deemed to be notice of lay-off given to the employee being displaced by the senior employee.

(12) Leaders/Lead Hands

It is the sole right of the company to appoint, from within the bargaining unit, without regard

to seniority, group or section leaders as Lead Hands. The Parties agree to a maximum of one (1) Lead Hand for every seven (7) bargaining unit employees, such ratio to be applied on a total bargaining unit basis, except as provided below. Leaders, or Lead Hands may be discontinued at the discretion of the Company. However, it is agreed in lay-off situations as set out in article 7.09 and recall situations as set out in article 7.10 seniority will apply to the Lead Hand position, subject to article 7.08 and the Lead Hand having demonstrated experience Re: position and car type. A Leader or Lead Hand has the combined responsibility of directing the work of a group of employees, including compliance with safe work practices, and performing bargaining unit work. A Leader or Lead Hand does not have the authority to discipline or discharge members of the bargaining unit. The terms “Leaders” or “Lead Hand” are used interchangeably.

In addition, subject to the following, Lead Hands shall, notwithstanding the provisions of Article 7.07, be accorded a preferred seniority status greater than any other bargaining unit employee, provided the Lead Hand has been in the position longer than thirty (30) working days. The preferred seniority accorded to Lead Hands shall be limited to the thirty-one (31) most senior Lead Hands at any given time. The Company shall designate in writing the thirty-one (31) most senior Lead Hands who have preferred seniority and shall furnish a copy of such list to the Union and shall inform the Union of changes in such list. The Company and the Union will meet semi-annually to discuss the Lead Hand situation.

7.13 Loss of Seniority

An employee shall lose all seniority and service rights if:

- (a) he quits his employment;
- (b) he is discharged for proper cause;
- (c)
 - (i) a probationary employee is laid-off for a continuous period of three (3) months,
 - (ii) a departmental seniority employee is laid-off for a continuous period in excess of one (1) year,
 - (iii) a plant-wide seniority employee is laid-off for a period in excess of two (2) years,

- (iv) a plant-wide seniority employee with more than ten (10) years' seniority is laid-off for a period in excess of the (3) years.
- (d) a person on lay off fails to return to work within seven (7) working days after the Company's notice of recall is sent by registered mail or telegram to the last address of the person shown on the Human Resources Office records or, if the person within four (4) working days after such notice of recall is so sent fails to notify the Human Resources Office of his intention to return to work.

The foregoing provision may be waived by the Vice President of Human Resources in writing if the person furnishes reasons satisfactory to the Vice President of Human Resources for such failure on his part. In such cases of waiver, the senior employee with plant-wide seniority will be returned to work within five (5) working days from the date the Vice President of Human Resources notified him in writing of such waiver or the employee notified the Company that he is available for work, whichever last occurs, provided that work is available at that time in accordance with his seniority in an occupation he is qualified to perform.

It shall be the duty of the employee or laid-off person to notify the Human Resources Office promptly, in writing, of any change of address. If an employee or laid-off person should fail to do this, the Company will not be responsible for failure of a notice to reach him and any notice sent by the Company by registered mail to the address which appears on the Company's Human Resource records, or telephoned to the telephone number which appears on the Company's Human Resource records, shall be conclusively deemed to have been received by the employee or laid-off

person.

- (e) If an employee absents himself from work for three (3) consecutive working days without a reason satisfactory to the Vice President of Human Resources.
- (f) If an employee fails to return to work promptly after the expiration of any leave granted to him, unless he is excused by the Vice President of Human Resources.
- (g) If an employee has been absent for any reason other than lay-off for more than twenty-four (24) consecutive months. However, it is agreed that the Vice President of Human Resources of the Company may make exceptions to this provision after considering all factors of an individual case, and in accordance with the requirements of the Human Rights Code.
- (h) An employee has been given notice of lay-off pursuant to Article 7.09 (2) hereof and the employee fails to work the full period between the notice and the time of lay-off, unless the employee is specifically excused in writing by the Vice President of Human Resources.

The Company agrees, semi-annually, to write to the Union with a list of changes of addresses of which employees have advised the Company.

7.14 A person who is rehired after losing his seniority will be a probationary employee.

7.15 When the Company terminates the employment of a seniority employee on sick leave or workers' compensation, the Company will notify the Union at the same time it notifies the employee.

ARTICLE VIII - SAFETY AND HEALTH

8.01 (a) The Company and the Union agree to study, create and maintain the standards of

health and safety required to prevent occupational illness and industrial injury in the plant. In this regard the parties agree that their respective representatives shall act in a cooperative and responsible manner so as to further health and safety in the plant.

(b) The Company and the Union agree to comply with all requirements of applicable Federal and Ontario provincial legislation that pertains to health and safety, including the *Occupational Health and Safety Act*, R.S.O. 1990, c.O.I as amended by S.O. 1992, c.14, s.2, and the appropriate regulations and any amendments thereunder.

(c) The Company and the Union agree that no employee or member of the Joint Health and Safety Committee structure will be threatened, disciplined, suspended or coerced in the event that the employee or member of the Joint Health and Safety Committee has acted in compliance with such legislation and the applicable regulations and any amendments thereunder.

8.02 (a) The Company and the Union recognize the following Joint Health and Safety Committee structure:

(i) The Joint Health and Safety Committee will be comprised of not more than six (6) Union Health and Safety Representatives and not more than six (6) members representing the Company.

(ii) The Company and the Union shall select from within their respective members of the Joint Health and Safety Committee as set out in 8.02(a)(i), one (1) member who shall act as Co-Chairperson for the Company and one (1) member who shall

act as Co-Chairperson for the Union.

- (b) The Union will advise the Company, in writing, of the names of the Union members of the Joint Health and Safety Committee, and the name of the Union Co-Chairperson of the Joint Health and Safety Committee.
- 8.03**
- (a) A Union JHSC representative, as set out in 8.02(a)(i), and an appointed representative from the Company, shall be entitled to conduct an inspection of the physical conditions of the workplace, or parts thereof, at least once per month in accordance with the scope and schedule mutually agreed to by the workplace inspection participants.
 - (b) The workplace inspections set out in 8.03(a), may focus on any other criteria or activity pertaining to health and safety and/or the environment as mutually agreed to by the inspection participants.
 - (c) At the conclusion of the workplace inspection a review shall be conducted by the participants and items of concern prioritized. The Company representative participating in the inspection will ensure that a jointly agreed to report is submitted to the department involved for follow-up action. Such report will be submitted within forty-eight (48) hours of the inspection. A copy of this report will be submitted to the Company and Union JHSC Co-Chairpersons, and a copy submitted to the Safety Department.
 - (d) The department involved in the workplace inspection shall submit a weekly update of the items identified during the inspection to the inspection participants, the Company and the

Union JHSC Co-Chairpersons and the Safety Department. Updates shall continue until such time as all outstanding items have been responded to.

- (e) Time spent by the Union JHSC representatives in fulfilling their responsibilities under 8.03(a), shall be deemed to be work time for which they shall be paid at their regular or premium rate as may apply.
- 8.04**
- (a) The Union JHSC Co-Chairperson, or in his/her absence a JHSC representative he/she assigns, shall be notified and permitted to attend and participate in all formal accident/incident investigations.
 - (b) Copies of all formal accident/incident investigations will be provided to the Union JHSC representative participating in the investigation, the Company and Union JHSC Co-Chairpersons and the Safety Department. The Safety Department will be responsible for the distribution of the accident/incident investigation report.
- 8.05**
- (a) The JHSC shall conduct a meeting at least once per month or, as deemed appropriate by mutual agreement, to discuss matters pertaining to health and safety. Both parties will submit a written agenda seven (7) days in advance of the meeting.
 - (b) The Union JHSC representatives shall be granted up to two (2) hours to prepare for JHSC meetings. If a JHSC representative requires additional preparation time due to the nature of the agenda in his/her specific area, this will be at the discretion of the Company.
 - (c) Joint minutes shall be maintained and distributed to all of those in attendance at any Joint Health and Safety Committee meeting.

- (d) Time spent by the Union JHSC representatives in fulfilling their responsibilities under 8.05 shall be deemed to be work time for which they shall be paid at their regular or premium rate as may apply.

8.06 (a) The Company and Union JHSC Co-Chairpersons and the Union President, International Representative of USWA may meet with representatives of Senior Management each month at the request of the Union. The purpose of such meeting is to review all aspects and implementation of the Company Health and Safety Program. Such meeting may be requested more frequently if deemed appropriate.

- (b) Time spent by the Union JHSC Co-Chairperson and the Union President under 8.06(a) shall be deemed to be work time for which they shall be paid at their regular or premium rate as may apply.

8.07 Protective Equipment

For seniority employees, the Company shall pay fifty percent (50%) of the cost of each pair of safety boots up to a maximum of two (2) pair per contract year, except in the Paint and Blast Department where the maximum will be extended to three (3) pairs of boots per contract year, and fifty percent (50%) of the cost of gloves provided the employee turns in his old pair of gloves, and one hundred percent (100%) of the cost of one (1) pair of safety prescription glasses up to a maximum of one hundred dollars (\$100.00).

8.08 Joint Health and Safety Training

The company and the union agree that each employee shall be given sixteen (16) hours of a joint safety training program, using a company and union trainer. To the extent that any

employees have not received such training, they will do so over the next three (3) years.

The Company will pay the cost of training for the Union's designated trainer and the Union's alternate trainer who will replace the Union's designated trainer when he or she is not available.

The Company will pay the Union's designated trainer at his or her regular rate including all premiums while performing their responsibilities in Article 8.08.

The Company will pay employees sixteen (16) hours at base rate while participating in the training in accordance with Article 8.08.

The content of the training program is to be approved by the Company and Union, at competitive market prices.

8.09 The Company will furnish a copy of the Form 7 sent to the Workers' Safety Insurance Board to the Union upon receipt of a written request by the employee.

8.10 The Company and Union agree to incorporate:

- (a) That where an employee is working alone in an area, the Company will check on the well-being of the employee at intervals that are reasonable and practicable under the circumstances.

Where an employee is working alone in an area and such an employee is concerned or becomes concerned as relates to his safety or surrounds, that employee should immediately cease work, contact his supervisor, and discuss the job and the job's requirements, and the need for assistance.

- (b) That a person holding a current St. John's Ambulance First Aid Certificate will be in attendance at the plant at all times.
- (c) That if a Government Inspector is making an inspection at the plant, the Chairman of the Union's Health and Safety Committee or his designates on the Committee, will accompany the Inspector on his tour and will be compensated for time spent on such inspection.

- (d) That if a Coroners' Inquest is held with respect to a fatality sustained by an employee at work, an employee who is subpoenaed by the Coroner to testify at such Inquest shall be given a leave of absence upon the day or days he testifies and the Company will make up the difference between the amount of witness fee he receives and his base hourly rate of pay inclusive of all premiums.
- (e) That the Company will forward copies of current minutes of Safety Meetings to the Chairman of the Union's Health and Safety Committee and to the Recording Secretary of the Union's Health and Safety Committee.
- (f) That an employee injured on the job and required to go to a physician's office or the hospital will be provided free transportation by the Company, and where necessary, back to the Company's premises.
- (g) That if an employee is injured on the job during regular working hours and as a result of being properly authorized to leave work, does not perform all regularly scheduled working hours of the shift on such day, the Company will make up his pay for his regularly scheduled hours so lost, at his base hourly rate of pay inclusive of all premiums.

8.11 The Company agrees to the appointment of one (1) paid Health and Safety Rep to be chosen by the Union President from among the Union members of the Health and Safety Committee, with the concurrence of the Vice President of Human Resources. The paid rep shall be subject to a quarterly review as relates to performance to be conducted jointly by the Union President and the Vice President of Human Resources. Such rep shall be scheduled to perform work pursuant to Article 8.08 as his primary responsibility, but will also be engaged in job responsibilities as required under the Collective Agreement, pursuant to Article 8.02, 8.03, 8.04, 8.05 and National Steel Car's WHMIS Program, or as directed jointly by the President of the Union and the Vice President of Human Resources.

ARTICLE IX - HOURS OF WORK AND OVERTIME

9.01 (a) The Company agrees that those employees working a shift schedule as set out in Article 9.04(a), will not be regularly scheduled to work a shift after 11:00 p.m. on Friday or before 10:00 p.m. on Sunday.

(b) It is expressly understood and agreed that the provisions of Article IX are for the purposes of computing overtime and shall not be construed to be a guarantee of or limitation upon the hours of work to be done per day or per week or otherwise, nor as a guarantee of working schedule, except as provided in 9.01(a). When overtime opportunities occur, the company will attempt to fill overtime opportunities on a voluntary basis. If unsuccessful, the company will exercise its rights to require employees to work such mandatory overtime as required.

9.02 For the purpose of computing overtime, for all employees except those on a continuous operation:

(a) the normal work day shall be eight (8) hours worked in a twenty-four (24) hour period from the time the employee commences work;

(b) the normal work week shall be composed of forty (40) straight time hours worked in the week, which commences at 10:00 p.m. on Sunday and runs through five (5) consecutive days;

(c) the normally scheduled work days of an employee on leave of absence for Union business pursuant to Article 16.04 hereof, shall be counted as having been worked;

(d) the normally scheduled working hours of an employee on temporary lay-off pursuant to Article 7.12 (1) hereof, shall be counted as having been worked.

9.03 For all employees except those on continuous operations, overtime shall (subject to 9.07 hereof) be paid only for hours worked in excess of the normal work day or the normal work week as defined

in Article 9.02 above.

9.04 A continuous operation will include any one of the following schedules:

- (a) three (3) shifts of eight (8) hours in a twenty-four (24) hour period on five (5) consecutive days;
- (b) two (2) shifts of ten (10) hours in a twenty-four (24) hour period on four (4) consecutive days, to be scheduled within the Monday to Friday period weekly;
- (c) two (2) shifts of twelve (12) hours in a twenty-four (24) hour period in a seven (7) day cycle.

9.05 For the purposes of computing overtime for employees engaged in a continuous operation, overtime shall be paid on the following basis:

- (a) For those employees who are normally scheduled to work eight (8) hours in a twenty-four (24) hour period, the normal work day shall be eight (8) hours worked from the time the employee commences work;
- (b) For those employees who are normally scheduled to work ten (10) hours in a twenty-four (24) hour period, the normal work day shall be ten (10) hours worked from the time the employee commences work;
- (c) For those employees who are normally scheduled to work twelve (12) hours in a twenty-four (24) hour period, the normal work day shall be twelve (12) hours from the time the employee commences work.
- (d) The normal work week shall be composed:

- (i) forty (40) straight time hours commencing at 10:00 p.m. on Sunday for those employees working eight (8) hours;
 - (ii) forty (40) straight time hours commencing at 7:00 a.m. on Monday for those employees working ten (10) hour shifts as defined in Article 9.04(b);
 - (iii) over two (2) consecutive weeks for those employees on twelve (12) hour shifts commencing at 7:00 a.m. on Sunday with thirty-six (36) hours in the first week and forty-four (44) in the second week. The Company reserves the right to schedule up to forty-eight (48) hours in the second week.
- (e) the normally scheduled work days of an employee on leave of absence for Union business pursuant to Article 16.04 hereof, shall be counted as having been worked;
- (f) the normally scheduled working hours of an employee on temporary layoff pursuant to Article 7.12(1) hereof, shall be counted as having been worked.
- (g) for hours worked on the second or third day of rest, two (2) times the normal hourly rate would be paid for all hours worked.

9.06 For those employees engaged in continuous operations, overtime shall be paid only for hours worked in excess of the present normal working hours, as set out in 9.05. Such employees engaged in a continuous operation shall receive a premium of one dollar (\$1.00) paid for each hour worked on Saturday and/or Sunday as part of their normal work week.

9.07 Work performed in excess of the normal work day or week as defined in Article 9.02 or in Article 9.05, will not be considered to be overtime if it results from:

- (a) change in shift or exchange of shifts requested by the employee and consented to by the foreman;
- (b) the application of seniority in a reduction of force;
- (c) the granting of a request for transfer.

9.08 An employee shall be paid as follows for overtime hours worked:

- (a) an employee not on incentive will be paid at the rate of one and one-half (1-1/2) times his base hourly rate exclusive of premiums;
- (b) an employee on incentive will be paid time and one-half (1-1/2) his incentive earnings for the overtime hours worked.

9.09 In no case will there be a duplication or pyramiding of daily and weekly overtime or any other premium compensation. No employee who has worked overtime in the week will be required to take time off during such week where the sole reason for such time off is to avoid paying overtime.

9.10 An employee called in to do emergency work will be paid a minimum of three (3) hours pay for such work at his base hourly rate or the overtime rate, as the case may be. However, when an employee, after leaving the plant at the completion of his shift is notified to report for work two (2) hours or less prior to his regular starting time and he is expected to work through and complete his regular shift, he will be paid only for the hours worked in excess of the hours as specified in Article 9.02 or 9.05, as appropriate to that employee.

9.11 An employee who properly reports for work at the beginning of his regular shift, unless he has been

notified at least two (2) hours before the commencement of his shift not to report, will receive at least four (4) hours work at his straight time base hourly rate or shall be paid for four (4) hours at his straight time base hourly rate, except in cases of labour disputes, machinery, equipment, power or other utility breakdowns, fire, flood or any other causes, without limitation, beyond the control of the Company. Where an employee reports for work on his regular shift and is sent home with instructions to report on a later shift he shall be paid for two (2) hours subject to the same exceptions and conditions as set forth in this section. An employee, other than an employee who reports for work on his regular shift and is sent home with instructions to report on a later shift, who does not accept available work when offered shall not be entitled to payment for reporting. When an employee has not been working because of illness, leave of absence or any other cause, it shall be his responsibility to arrange with the Company for his return to work at least one (1) but not more than two (2) regular working days prior to the time of his intended return. It is the employee's duty to keep the Department of Human Resources informed of his correct address and telephone number, and the Company will not be liable for any payment unless such arrangements have been made.

9.12 When overtime is scheduled to be performed by employees in a department, the Company will endeavour as far as practicable to equitably allocate the overtime among qualified employees of the department who presently and normally perform the major or dominant portion of the work required. However, production lines or group operations will not be affected or interfered with. An employee on an individual operation or assignment will not be displaced for overtime occurring at

the end of a regular shift. Employees who are absent from work for any reason shall be considered not available for the allocation of overtime, and shall not be entitled to be called in.

It is not the intention of the parties to this agreement that the Company shall be held to an obligation of equal allocation of overtime but is only intended to be a general rule for the guidance of the Company in allocating overtime. An employee who is justifiably aggrieved as a result of the Company's failure to follow this general rule shall not be entitled to money payment for overtime which has not been allocated to him in the past but shall be entitled to be allocated future overtime to restore him to a relatively equitable position with those other qualified employees in the department who presently and normally perform the operation upon which the aggrieved employee is involved.

The Company undertakes to post on a monthly basis in all Departments, overtime lists for that Department.

- 9.13** A shift premium of thirty-eight cents (38¢) per hour will be paid for hours worked during the second scheduled shift and a shift premium of forty-three cents (43¢) per hour will be paid for hours worked during the third scheduled shift. The foregoing shift premiums will be paid only to employees who are actually regularly scheduled to work such shifts and the thirty-eight cent (38¢) premium shall not be paid to employees whose work on the first shift continues into the second shift, nor will the forty-three cent (43¢) premium be paid to employees on the second shift whose work continues into the third shift. For those persons working a ten (10) hour shift and/or a twelve (12) hour shift, a shift premium of forty-three cents (43¢) per hour will be paid for hours worked during the second scheduled shift. No shift premium will be paid for hours worked during the first scheduled shift.
- 9.14** There shall be a one-half (½) hour unpaid lunch period for employees on one (1) shift and two (2) shift operations in which the shift hours do not exceed eight (8) hours. Employees on a continuous operation, as defined in Article 9.04, shall receive a twenty (20) minute paid lunch period on a

staggered basis, if they work eight (8) hours. All other employees on a continuous operation are entitled to daily lunch and coffee breaks totaling one (1) hour, to be scheduled equally throughout the shift and in accordance with the daily production requirements.

- 9.15** (a) An employee shall have added to his pay an allowance of \$5.25 for a meal when he is required to work two (2) hours or more overtime after completion of his regular work day without having received notice of such overtime before reporting for work.
- (b) When the supervision estimates that the overtime will involve more than three (3) hours beyond the end of the regular shift, employees will be allowed a supper period of one-half hour for which they will not be paid.
- (d) In cases of major breakdowns or other emergency situations it may not always be possible to allow employees a supper period at a specified time. Supervision will be governed by the circumstances and arrange a supper period, when necessary and if possible, as close to regular eating time as feasible.

9.16 The Company shall provide to the Union and affected employees, fourteen (14) days' notice prior to the implementation and/or discontinuance of ten (10) or twelve (12) hour shift rotations, as defined in Article 9.04. If the Union requests, the Company agrees to consult with the Union as it relates to the implementation or discontinuance of ten (10) and twelve (12) hour shift rotations in any Department, before implementation of the same. The Company retains the right, however, to make the ultimate decisions as to implementation and/or discontinuance relating to such shifts.

ARTICLE X - VACATIONS WITH PAY

10.01 Wherever the term “**vacation year**” is used in this agreement, it shall mean the year from one July 1st to the following June 30th.

10.02 The Company reserves the right to close the plant for up to three (3) weeks, for vacation purposes, at a time most suitable to the needs of the business, during the period from July 1 to August 31. Except for employees whose services are required by the Company during the shutdown, employees shall take the vacation to which they are entitled, up to such three (3) weeks, during the shutdown.

Additional vacation beyond the length of the shutdown for employees entitled thereto must be taken at a time approved by the employees’ general foreman but shall be taken between January 1 and November 30 - (i.e.) Prior to December 1 - of the year in which they become entitled thereto.

In granting vacation periods, the Company will cooperate with employees required to work during the summer vacation shut-down. It must be recognized that most employees are maintenance employees whose presence is required and that such cooperation must be administered in such a way as to cause no interference with operations.

10.03 This vacation plan shall not change vacation service credits compiled on the basis of the former plan. Service for this plan shall be the employee’s seniority as at June 30 and such service shall be considered broken under the provisions of Article 7.13 hereof.

10.04 The employee shall be entitled to an annual vacation in accordance with the following schedule on the basis of his service (i.e. seniority) at June 30 in each year:

- One year service (seniority) but less than five as at June 30 - two weeks;

- Five years of service (seniority) but less than ten years as at June 30 - three weeks;
- Ten years of service (seniority) but less than twenty years as at June 30 - four weeks;
- Twenty years of service (seniority) but less than twenty-five years as at June 30 - five weeks;
- Twenty-five years of service (seniority) or more as at June 30 - six weeks.

10.05 Pay for vacation to which the employee is entitled hereunder will be two percent (2%) of wages earned in the vacation year for each week of vacation entitlement.

Employees with less than one year's service as at June 30 shall receive as vacation four percent (4%) of wages earned, as defined above, at June 30.

10.06 Whenever one of the designated holidays referred to in Article XI hereof occurs during an employee's vacation, he shall, provided he otherwise qualifies pursuant to the provisions of Article XI hereof, receive an extra day's pay but not an extra day's vacation.

10.07 A vacation payment made to an employee under this section shall not be considered as extending the employee's period of service beyond the last day he performed work for the Company.

10.08 Vacation pay for an employee who becomes deceased prior to vacation being taken will be paid to the estate of the deceased employee and will be computed on the basis of his seniority as at his last day worked.

ARTICLE XI - DESIGNATED HOLIDAYS

11.01 An employee who has attained seniority will be paid for the following eleven (11) designated holidays providing he complies with the qualifications hereinafter set forth.

The eleven designated holidays are:

New Years Day	Thanksgiving Day
Good Friday	Day before Christmas
Victoria Day	Christmas Day
Dominion Day	Boxing Day
Civic Holiday	Day before New Years
Labour Day	

Effective December 1978, one (1) additional designated holiday, a floater, between the Christmas and New Year period, to be tied in consecutively with the other Christmas and New Years days off by agreement between the President of the Local Union and the Vice President of Human Resources.

Heritage Day if declared by Federal law.

11.02 When a designated holiday occurs on a Saturday or Sunday the parties may by mutual agreement in writing observe such holiday on another day.

11.03 In order to qualify for payment for each of the above designated holidays, the employee must work the full scheduled work day immediately prior to and the full scheduled work day immediately subsequent to the holiday unless specifically excused as follows:

(a) an employee absent for part of the work day on a qualifying day may be allowed under the following conditions:

(i) the employee is absent for part of a qualifying shift because of an

emergency or other extenuating circumstance, acceptable to the Vice President of Human Resources, providing such approval is signified by the Vice President of Human Resources in writing;

- (ii) unavoidable lateness not in excess of thirty (30) minutes;
- (iii) the employee leaves the plant before the end of the shift on a qualifying day because of illness or accident, if permission in writing has been secured from the plant doctor, nurse, or night shift first aid attendant.

(b) absence for one only of the entire qualifying shifts (i.e. either before or after the holiday) will be allowed under the following conditions:

- (i) service as a juror.
- (ii) bereavement leave in accordance with the provisions of this agreement.
- (iii) emergency or other extenuating circumstances acceptable to the Vice President of Human Resources providing such approval is signified by the Vice President of Human Resources in writing.
- (iv) non-compensable sickness or accident providing the employee works one of the four full scheduled work days immediately before the prior qualifying day or one of the four full scheduled work days immediately after the subsequent qualifying day as the case may be, depending upon which qualifying day is missed by the employee.

- (c) In each of the foregoing exceptions, the employee must, within two (2) weeks after the holiday, furnish evidence satisfactory to the Vice President of Human Resources, of the circumstances surrounding the exception upon which he relies.

11.04 An employee who qualifies for payment for a designated holiday not worked will be paid on the basis of the employee's base rate for his normally scheduled hours per day up to twelve (12) hours, in effect at the time the holiday occurs, exclusive of all premiums.

11.05 (a) All work performed by an employee, including an employee on a continuous operation, on any of the designated holidays, shall be paid for at two (2) times the regular day rate for all hours worked. Such payment shall be in addition to holiday pay for qualifying employees.

(b) Notwithstanding the provisions of 11.05 (a) hereof, where a regularly scheduled shift starts on the night preceding a designated holiday and finishes on the holiday or starts on the night of the designated holiday, such hours of the shift as are worked on the holiday will not be paid for at overtime or premium rates but shall be paid for at the employee's regular rate.

11.06 An otherwise eligible employee, who is scheduled to work on one of the designated holidays but does not report for work and work as scheduled, shall forfeit his holiday pay for that particular holiday, unless he is able to provide a reason satisfactory to the Vice President of Human Resources for such failure.

ARTICLE XII - BEREAVEMENT

12.01 (a) When death occurs in a seniority employee's immediate family (i.e. current spouse,

child, brother or sister of the employee, grandchild, any two of the employee's natural parent or the spouse of the employee's natural parent, and any two of the employee's spouse's natural parent or spouses of such natural parent), the employee, on request, ~~may~~ be excused for a period not to exceed three (3) consecutive days (or such fewer ~~days as the~~ employee may be absent) immediately following the date of death, provided he attends the funeral. In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's base hourly rate for his normally scheduled hours per day up to twelve (12) hours, exclusive of premiums.

- (b) The Company agrees to grant to seniority employees one (1) days' paid leave for the purpose of attending the funeral in the case of death of the employee's grandparent, brother-in-law, or sister-in-law. In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's base hourly rate for his normally scheduled hours per day up to twelve (12) hours, exclusive of premiums.
- (c) An employee having a death in his immediate family, as defined in Article 12.01 (a), who is unable to attend the funeral because of the distance will be granted one (1) day off on the date of the funeral with pay provided it is a working day and provided satisfactory evidence is submitted to the Vice President of Human Resources.

12.02 Pallbearer

A seniority employee called upon to act as a pallbearer will be paid at his base hourly rate exclusive of premiums for the time involved, up to a maximum of four (4) hours, provided he obtains his foreman's authorization in advance.

ARTICLE XIII - JURY DUTY

13.01 Each employee who is summoned to and reports for jury duty, as prescribed by applicable law (subject to the eligibility requirements set out below), shall be paid by the Company the difference between the employee's regular base rate exclusive of premiums for the number of hours up to twelve (12) hours that he otherwise would have been scheduled to work and the daily jury duty fee paid by the court (not including travelling allowance or reimbursement of expenses). The Company's obligation to pay an employee for jury duty under this section is limited to a maximum of sixty (60) days in any calendar year, and in order to receive payment under this section, an employee must meet all the following eligibility requirements:

- (a) the employee shall have given twenty-four (24) hours notice to the Company that he has been summoned for jury duty.
- (b) the employee shall furnish satisfactory evidence to the Vice President of Human Resources that he reported for and performed jury duty on the days for which he claims payment.
- (c) the employee would otherwise have been scheduled to work for the Company on the day or days for which he claims payment.

ARTICLE XIV - TUITION PARTICIPATION PLAN

14.01 It is the Company's policy to assist and encourage employees to advance themselves by further education. Accordingly, the Company will pay one and one half (1-1/2) of the tuition fee of any seniority employee who satisfactorily completes any course first approved by the Company as related to such employee's work. Employees seeking approval of a course will discuss such course with the Vice President of Human Resources.

ARTICLE XV - NOTICES

15.01 The Company agrees to erect a glass-covered and locked bulletin board in each department for the sole use of the Union for union notices announcing union meetings or social events, subject to the following conditions.

- (a) such notices shall first require the stamped approval of the Vice President of Human Resources.
- (b) no change shall be made in any such notice, either by the Company or by the Union, after it has received the stamped approval of the Vice President of Human Resources.

15.02 The Union will not distribute or post or cause or permit to be distributed or posted on the property of the Company, or on its behalf, any pamphlets, advertising or political matter, cards, notices, or other kinds of literature except with the written permission of the Vice President of Human Resources.

ARTICLE XVI - LEAVE OF ABSENCE

16.01 Request for leave of absence must be made through the Vice President of Human Resources, and if granted for a period of more than five (5) working days will be in writing. A leave of absence, except as otherwise provided herein, shall be permissive only, and shall be understood to mean an absence from work, requested in writing by the employee on the form provided for such purpose and consented to in writing by the Vice President of Human Resources, covering a permitted period of time for personal reasons. Leave of absence will not be granted to accept other employment of any kind. Leave of absence shall be permissive only and shall be without pay or any other form of compensation. The Company agrees, as a matter of policy, to attempt to grant leave of absence for personal reasons to employees with plant-wide seniority, if it is practical to do so. For purpose of this clause, “personal reasons” shall include educational leave.

16.02 Should an employee’s leave of absence extend beyond the period of time for which the Company has agreed under the terms of this agreement to pay his benefit premiums, the employee shall be responsible for pre-paying such premium to the Company for the remaining period of time for which he will be absent on such leave of absence.

16.03 Normally, a leave of absence will not be granted for a period in excess of three months.

16.04 The Company will grant leave of absence to not more than eight (8) seniority employees at the same time for legitimate union business, such as convention delegates. The foregoing, however, is subject to the limitation that such leave of absence may be withheld by the Company if the absence of any such employee will interfere with production. In addition to the foregoing, the Company will

grant leave of absence to the steward body for two days per calendar year to attend a Union Stewards' seminar.

16.05 Whenever an employee is required by the Union to be absent on union business and a leave of absence is required under the provisions of this Article XVI, the employee shall request permission of the Vice President of Human Resources for such leave of absence at least three (3) days in advance of the leave of absence.

16.06 The maternity leave and parental leave provisions of the Employment Standards Act are incorporated into this Agreement.

16.07 In the event that an employee is elected as an official of the United Steelworkers of America or appointed by the District Director of the United Steelworkers of America as a Staff Representative of the Union, the employee, upon written request by the International Office of the Union, will be granted a special leave of absence for the term of his/her elected office or appointment.

ARTICLE XVII – INSURANCE PLANS

17.01 (a) The Group Insurance Plan as of October 1, 1970, comprising life insurance, accidental death and dismemberment, and weekly indemnity for payroll seniority employees of National Steel Car Limited, details of which are set out in Appendix "B", shall remain in effect during the life of this agreement subject to the following clauses of this Article XVII.

(b) Notwithstanding anything to the contrary contained in this Article XVII, as a result of Federal legislation providing for the payment of monies to employees for loss of income on account of sickness or accident, the amount of payment which the employee would be

entitled to receive pursuant to this Article XVII, as a result of being prevented from working on account of a non-occupational accident or as a result of sickness, shall be reduced by the amount of money which the employee is eligible to receive pursuant to the aforesaid legislation. The purpose hereof is to require the employee to utilize his rights under legislation before claiming weekly indemnity hereunder.

- (c) If the employee's eligibility under legislation is for less than \$371.00 per week, the weekly indemnity plan hereunder would pay the difference between the amount for which the employee is eligible and \$371.00 per week. In other words, an employee eligible for weekly indemnity hereunder would not receive less than \$371.00 per week. Commencing April 6, 2003 the previous \$371.00 will be changed to \$396.00. Commencing April 6, 2004 the previous \$396.00 shall be changed to \$421.00. Commencing April 6, 2005, the previous \$421.00 will be changed to \$446.00.
- (d) The weekly indemnity plan hereunder shall continue to provide up to fifty-two (52) weeks of payment, and therefore, the employee shall have protection for fifty-two (52) weeks plus the additional weeks provided by legislation. In other words, the fifty-two (52) weeks provided for herein remains constant and is not reduced by the number of weeks the employee is paid under legislation.
- (e) If, as a result of claiming sick benefit pay under the legislation, an employee is, during his lay-off, deprived of Unemployment Insurance payments for a period for which he would have been entitled for such payments, had he not claimed sick pay benefits under the legislation, the weekly indemnity plan will provide for payment of weekly indemnity to such employee for such remaining part of his lay-off as he would have been entitled to

Unemployment Insurance payments had he not used up such entitlement as a sickness claim.

- (f) In the event that the government of the Province of Ontario enacts legislation providing for the payment of monies to employees for loss of income on account of sickness or accident other than sickness or accident arising out of and in the course of their employment, in place of the Federal legislation herein referred to covering that same subject, the parties hereto agree that the provisions of this Article 17.01 shall apply in a like manner.

17.02 When an employee, covered by the Plan or a part of it, is absent from work because of sickness or other disability which commenced during his active service, the applicable insurance coverage as provided for in Article 17.01 hereof will be continued by the Company for the employee and his eligible dependents for a period of twelve (12) months from the first of the month following the month in which the disability begins or for the term of the disability, whichever is the shorter.

If the second period of sickness or disability occurs and is unrelated to the previous sickness or disability or is separate from it by three (3) months or more of active Company service, the second disability will be considered a new disability and the applicable insurance coverage provided for in Article 17.01 will again be continued by the Company for the employee and his eligible dependents for a period of twelve (12) months from the first of the month following the month in which the second disability begins, or for the term of the second disability, whichever is the shorter.

17.03 (a) In the case of an employee's absence while suspended, laid-off on account of no

work, or for an authorized leave of absence, the Company will continue to pay the necessary payments to continue the applicable insurance coverage provided for in Article 17.01 for a seniority employee and his eligible dependents for one (1) month following the month in which the employee last performed work for the Company, by paying the monthly premium falling due on the first of the month following the month in which the employee ceased to work for the above reasons.

(b) In the case of a seniority employee being laid-off on account of no work, the Company will pay premiums upon three thousand dollars (\$3,000.00) of life insurance for such seniority employee for twelve (12) months commencing the month following the month in which the employee last performed work for the Company provided the former employee retains his status as a laid-off person with recall rights pursuant to the provisions of this agreement. If such laid-off employee chooses to pay the premium on the remaining insurance to the extent permitted by the policy, he shall be entitled to do so.

17.04 For a seniority employee with unbroken service returning to work after reinstatement following an absence for reasons referred to in 5.15 and who has maintained his insurance coverage under the Plan by his own contribution during the full period of absence subsequent to the period paid for by the Company, as provided in Article 5.15 (c), the Company will again assume the cost of such applicable insurance coverage, subject to the regulations of the insurance companies and government agencies involved, by paying the first monthly premium falling due subsequent to the employee's return to work. If the employee's insurance coverage required to be maintained by his

own contributions has lapsed during his absence, the Company will, upon his return to work, again assume the cost of such applicable coverage for the employee and his eligible dependents from the earliest effective date permitted under the regulations of the respective insurance plan.

17.05 Notwithstanding anything to the contrary contained in this agreement, or in the Group Insurance Plan, Appendix “B”, with regard to the coverage provided, such benefits and plans are necessarily qualified in their entirety by reference to the underlying policies or contracts of insurance.

The terms of any contract issued in respect hereof by an insurance agency or governmental agency shall be controlling in all matters pertaining to qualifications of employees for benefits thereunder and in all matters pertaining to the existence and extent of benefits and conditions. Copies of policies and contracts of insurance referred to in Appendix “B” will be given to the Union.

17.06 Medicare

The Company will pay one hundred percent (100%) of O.H.I.P. premiums for the duration of this agreement.

17.07 In the event of any change in the name or substance of O.H.I.P., references to O.H.I.P. shall be deemed to be deleted from this Collective Agreement and the name of the new plan shall be deemed to be substituted thereof.

17.08 (a) The major medical plan shall become part of the welfare plan or a group insurance plan, which is Appendix “B” of this Agreement. The overall health care maximum that will be payable for covered expenses incurred for an insured person will be limited to \$10,000 per calendar year.

(b) Drug Plan – The Company will continue, for seniority employees, a fully-paid Drug Plan, including a Drug Card, in which the employee is reimbursed for all of the cost of each prescription. The Company agrees that drug cards will also be supplied to all retirees up to the age of sixty-five (65) years.

(c) **Dental Plan** – The Company will continue, for seniority employees, a basic Dental Plan with no deductible and no co-insurance, comparable to the Blue Cross Plan No. 7 plus Rider #1. The Company will provide the Union with a copy of the Plan and will provide employees with a summary of the Plan. The Company agrees to pay the Ontario Dental Association Schedule of Fees in accordance with the following:

Commencing October 2, 2003 - the 2002 O.D.A. Schedule of Fees.
Commencing January 1, 2004 - the 2003 O.D.A. Schedule of Fees.
Commencing January 1, 2005 - the 2004 O.D.A. Schedule of Fees.
Commencing January 1, 2006 - the 2005 O.D.A. Schedule of Fees.

(d) **Life Insurance** – The Company’s Group Life Insurance Plan will be amended effective October 2, 2003 as follows:

Effective April 6, 2003 - \$24,000.00
Effective April 6, 2004 - \$25,000.00
Effective April 6, 2005 - \$26,000.00

(e) **Vision Care** - The Company will implement Vision Care to provide one hundred dollars (\$100.00) as per insured person, every two (2) years, commencing April 6, 2004. It is agreed that commencing April 6, 2005, the Vision Care entitlement will increase to two hundred dollars (\$200.00) per insured person, every two (2) years.

ARTICLE XVIII – TEMPORARY TRANSFERS

18.01 An employee who is temporarily transferred to a higher rated job shall be paid the rate of the job to which he is transferred. If the rate of the job to which an employee is temporarily transferred, other than as a result of exercising his seniority during a lay-off or at an employee’s request, is less than the rate of his regular job, he shall be paid the rate of his regular job during the period of such temporary transfer. Where the transfer results from the exercise of seniority during lay-off, or as a result of the employee’s request, he shall be paid the rate of the job to which he is transferred. Wherever the term “**rate**” or the like is used in this Article 18.01 it shall be deemed to mean “**base rate of the job exclusive of any premiums**”.

ARTICLE XIX – CHECK OFF OF UNION DUES

- 19.01** The Company shall deduct Union dues including, where applicable, initiation fees and assessments on a weekly or bi-weekly basis, from the wages of each employee covered by this agreement, including students hired during the school vacation period. The amount of dues shall be calculated in accordance with the Union’s Constitution.
- 19.02** All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event, no later than fifteen (15) days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers of America, AFL-CIO-CLC, P.O. Box 13083, Postal Station “A”, Toronto, Ontario, M5W 1V7, in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.
- 19.03** The remittance and the R-115 form shall be accompanied by a statement containing the following information:
- (a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
 - (b) A list of the names of all employees from whom no deductions have been made and reasons; and
 - (c) This information shall be sent to both union addresses identified in Article 19.02 in such form as shall be directed by the Union to the Company.
- 19.04** The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.
- 19.05** The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid by the employee during the previous year.
- 19.06** The Company, in making the aforesaid deductions, shall have the right to rely upon the signed authorization cards in its possession or furnished to it. The Union agrees to defend and hold the Company completely harmless against all claims, demands and expenses, should any person at any time contend or claim that the Company has acted wrongfully or illegally in making such check off

deductions.

19.07 The following shall be the form of the “**authorization to deduct union dues**”:

Date:

TO: NATIONAL STEEL CAR LIMITED
Hamilton, Ontario

I hereby authorize the Company to deduct regular weekly union dues (exclusive of initiation fees and assessments) in the amount currently in effect according to the union’s constitution, from my wages earned, and to remit same to the International Secretary-Treasurer, United Steelworkers of America.

WITNESS:

Company Representative

or

Union Representative

Signature of Employee

Address

Clock No. _____

_____ Dept.

ARTICLE XX – AMENDMENTS TO THE AGREEMENT

20.01 Amendments may be made to this agreement at any time during the life hereof by the mutual agreement of the parties hereto. Such amendments, however, shall be in writing and effective only when signed by both parties, with the same formality as its agreement.

ARTICLE XXI – COPIES OF AGREEMENT

21.01 The Company and the Union desire every employee to be familiar with the provisions of this agreement and his rights and obligations under it. Therefore, the Company and the Union agree to

share (50/50) the cost of printing this agreement. In addition the Company will furnish each employee with a copy of the following:

- (a) Pension Plan booklet
- (b) Dental Plan booklet
- (c) Group Insurance Plan booklet including Extended Health Care, Drug Plan, Group Life Insurance, Accidental Death and Dismemberment and Weekly Indemnity Benefits

The Company will also supply copies of the actual plans of insurance to the Union. In addition, the Company will notify the Union, in writing, of any amendments to such plans after the Company has been given notice in writing of such amendments by the insurance carriers.

ARTICLE XXII – WAGES & C.O.L.A.

22.01 Wages - The wages set out in Schedule “A” attached hereto shall be in effect during the life of this Agreement. The parties recognize that as a result of negotiations, Schedule “A” reflects the following changes:

Year	2	3
Apr. 6/2004	Apr. 6/2005	
All Classifications	40¢*	50¢*

*The Company will, effective April 6, 2003, roll in the seventeen cents (17¢) C.O.L.A. accumulation, which has accrued during the existing Collective Agreement, and is presently being paid out as an add-on, so that the base rate for occupations in Schedule “A” as it was found effective April 5, 2003, would be increased by the seventeen cent (17¢) amount.

Cost of Living Allowance - There shall be a Cost of Living Allowance based on a formula of one cent (1¢) increase for each 0.0957 increase in the Consumer Price Index (1986 = 100 base), calculated quarterly without ceiling. The allowance shall be paid as follows:

Effective on the payment date shown below following the release of the Consumer Price Index (1986 = 100 base) for each of the following months, when compared to the Consumer Price Index (1986= 100 base) for each respective month as shown below, for each 0.0957 increase, a Cost of Living Allowance of one cent per hour will be paid:

2003

- (i) December 2002, compared to September 2002 (payment date – January 2003)
- (ii) March 2003, compared to December 2002 (payment date – April 1, 2003)
- (iii) June 2003, compared to March 2003 (payment date – July 1, 2003)

2004

- (i) December 2003, compared to September 2003 (payment date – January 1, 2004)
- (ii) March 2004, compared to December 2003 (payment date – April 1, 2004)
- (iii) June 2004, compared to March 2004 (payment date – July 1, 2004)

2005

- (i) December 2004, compared to September 2004 (payment date – January 1, 2005)
- (ii) March 2005, compared to December 2004 (payment date – April 1, 2005)
- (iii) June 2005, compared to March 2005 (payment date – July 1, 2005)

2006

- (i) December 2005, compared to September 2005 (payment date – January 1, 2006)
- (ii) March 2006, compared to December 2005 (payment date – April 1, 2006)

Such allowance shall be treated as an **“add-on”** and shall not be incorporated into the wage scale. Such allowance shall be paid for each hour worked and shall not be paid for time not worked, nor shall it be used in the calculation of overtime. The Cost of Living Allowance shall be contingent upon the continuance of the availability of the relevant monthly Statistics Canada Consumer Price Index calculated on the basis of Index (1986=100 base). No adjustment may be made in the Index by Statistics Canada during the term of this agreement.

For each adjustment during the three (3) three-month periods in each year in which an increase in the Cost of Living Allowance shall be required according to the foregoing, the amount of the increase so required each three-month period shall be reduced by one cent (1¢) up to a maximum reduction during this contract of six cents (6¢).

Any decrease in the cost of Living Allowance calculated from comparisons on the Consumer Price Indexes in any of the quarterly periods specified above shall reduce the net accumulated Cost of Living Allowance provided for above.

Continuance of the Cost of Living Allowance will be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for October, 1992, unless otherwise agreed upon by the parties. If Statistics Canada changes the form or the basis of calculating the Index, the

parties agree to request Statistics Canada to make available, for the life of this agreement, a monthly Index in its present form and calculated on the same basis as the Index for October, 1992. There shall be a trigger in each contract year so that there is no C.O.L.A. payment in a year until the amount of C.O.L.A. generated by the formula exceeds twenty-five (25¢) cents for such year. In such case the C.O.L.A. payment will be the amount of C.O.L.A. in excess of twenty-five (25¢) for such contract year. This clause expires with the expiry of the agreement.

ARTICLE XXIII – MAINTENACE DEPARTMENT TOOL ALLOWANCE

23.01 In the Maintenance Department, the Company will pay up to one hundred and twenty-five (\$125.00) per year for tools purchased that are required for and used in the plant, upon receipt of sales slips verifying purchases.

ARTICLE XXIV – DURATION

24.01 This agreement shall become effective on the 6th of April 2003, and shall remain in full force and effect and shall not be re-openable, save and except as other wise herein expressly provided, until the 5th day of April 2006, and shall continue automatically thereafter during annual periods of one year each, unless either party notifies the other party in writing as provided for in clause 24.02 hereof of its desire to negotiate amendments to this agreement.

24.02 Notice that amendments are required shall only be given during the period of not more than ninety (90) days and not less than thirty (30) days prior to the 5th day of April 2006, or during similar annual periods thereafter. If notice of desire to amend this Agreement is given by either party in accordance with the foregoing, the other party agrees to meet for the purpose of negotiation.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

NATIONAL STEEL CAR LIMITED UNITED STEELWORKERS OF AMERICA

D. Elliott, C. O. O.

Chris Winterburn, President

F. Jalsevac, V.P. Manufacturing

Al Reichert, Committee Member

H. R. Bruckner, V.P. Human Resources

Mike Burns, Committee Member

Ken Fortman, Committee Member

Ron Wyatt, Staff Representative (USWA)

APPENDIX "A"

IN THE MATTER OF AN INQUEST PURSUANT TO THE CORONERS' ACT, 1972 AND AMENDMENTS THERETO:

WITH RESPECT TO AN INQUEST RE: CHARLES LORD, THIS AGREEMENT IS ENTERED INTO AS OF THE 19th DAY OF MARCH, 1979

BETWEEN:

NATIONAL STEEL CAR LIMITED

(hereinafter referred to as the "Company")

- AND -

THE UNITED STEELWORKERS OF AMERICA AND ITS LOCAL 7135

(hereinafter referred to as the "Union")

In view of the circumstances surrounding this matter and in view of the desire of both the Company and the Union to take steps to avert a recurrence of this incident, the Company and the Union jointly adopt and agree to the implementation of the following measures in the hope of achieving this objective:

1. Orientation

In addition to the present safety meetings held for new employees and in addition to the showing of the safety film, it is agreed that all newly hired employees, before commencing work, will be given a tour of the plant and have a safety lecture during such tour, provided by the Company's Safety Director or his designate.

2. Accident Procedures

The Company will post up in conspicuous places in the plant, procedures to be followed in case of accident with respect to:

- (i) getting the employee to First Aid where it appears that the employee can be moved;
- (ii) calling a Union Safety Representative;
- (iii) calling for an ambulance where necessary;
- (iv) notifying the Ministry of Labour;
- (v) notifying the police where necessary.

The senior supervisory person available in the area will be responsible for seeing that the foregoing is done.

3. In all car erection shops, only the lead hand or his supervisor will have authority to order movement of cars either along the line or off the line.

The Company will continue to make sure the line has been cleared before cars are moved in the erection shops.

4. The Company will continue to investigate alternative or additional methods of warning employees of the movement of cars in the plant.
5. In all car erecting shops, only a tractor, and not a locomotive, will be used to move a car out of the erection shops.
6. Warning stickers will be placed at numerous locations throughout the plant and a notice will be placed inside the cover of the Plant Rule Book in the following text:

“Employees are warned to expect the movement of trains, engines, or cars at any time, in

any location, on any track, in or from any direction.”

7. Adequate supplies of soft blocks for wheels will be provided in all appropriate areas.
8. Directives from the Ministry of Labour will continue to be posted on all bulletin boards and will continue to be discussed at all safety meetings.
9. The Company will continue with its program of safety meetings.
10. The Company will continue to pay for employee's time and tuition for the St. John's Ambulance Course and I.A.P.A. Safety Courses and both the Company and the Union will encourage employees to enroll.
11. The Company and the Union recognize that they both have a joint responsibility to see that proper safety procedures are practiced at all levels so that National Steel Car Limited becomes a safer place to work. To this end, there will be renewed efforts made by the Union and management personnel to approach safety with an evermore positive attitude and with a spirit of cooperation. In this connection, a committee of Union safety representatives and management personnel will make in-plant tours on a periodic basis. In addition, meetings of the Area Safety Committees will continue to involve personnel from line management and from the employee body so that a better awareness and practice of safe work habits is developed.

Nothing contained in this agreement shall be construed in such a way as to suggest fault or wrongdoing by either party to this agreement or by any person.

DATED AT HAMILTON, ONTARIO, THIS 6th DAY OF APRIL, 2003
NATIONAL STEEL CAR LIMITED UNITED STEELWORKERS OF AMERICA
AND ITS LOCAL 7135

D. Elliott, C. O. O.

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Mike Burns, Committee Member

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Ron Wyatt, Staff Representative (USWA)

**LETTERS
OF
UNDERSTANDING**



NATIONAL STEEL CAR LIMITED
 P.O. BOX 2450
 HAMILTON, ONTARIO L8N 3J4
 (905) 544-3311

RE: INCENTIVES

When the Company establishes a new rate on an incentive operation, an employee who feels such new rate does not permit him to make incentive earnings over day rate, may file with his foreman, on a form provided, a request to have his job (i.e. the rate) investigated. The Company will furnish the Union with a copy of the employee's request.

If, after such investigation, the employee still feels that the rate does not permit him to make incentive earnings over day rate, the Company will, on request of the employee, meet with the employee and a Union representative and explain to them how the rate was arrived at.

The Company agrees to continue the current employee incentive plan for the duration of the Collective Agreement.

The continuance of the incentive plan and the Company's agreement regarding the right of review of the Company's decision on making incentive will be grievable, but, no other aspect of the plan will be grievable which includes the Company's right to set the incentive rates.

It is agreed that on a semi-annual basis, if requested by the Union president, a meeting will be held with the Vice-President of Human Resources and the Union President to discuss concerns that may arise concerning incentives.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

NATIONAL STEEL CAR LIMITED

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NATIONAL STEEL CAR LIMITED
 P.O. BOX 2450
 HAMILTON, ONTARIO L8N 3J4
 (905) 544-3311

RE: PENSIONS

Enclosed herewith please find a copy of the Pension Plan for hourly rated employees. This plan will be kept in effect during the life of the Collective Agreement. The Company shall make and file an amendment to the Plan on April 6, 2004 to change the basic amount and the supplementary pension benefit amount as follows:

Basic Pension

- (i) Basic Benefit
 Effective April 6, 2004 - \$35.00
 Effective April 6, 2005 - \$38.00
- (ii) Supplementary Pension
 Effective April 6, 2004 - \$23.00
 Effective April 6, 2005 - \$24.00
- (iii) Disability Pension - \$150.00 minimum per month;
- (iv) 1600 hours credit for 1 years' service;
- (v) Early Retirement - age sixty (60)

Anyone who retires in year 2 will be entitled to increases as they come due in year 3. Anyone who retires in year 1 will be entitled to increases as they come due in year 2 and 3.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

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NATIONAL STEEL CAR LIMITED
 P.O. BOX 2450
 HAMILTON, ONTARIO L8N 3J4
 (905) 544-3311

RE: SKILLED OCCUPATIONS

Dear Sirs:

The Company and the Union agree that throughout the life of their Collective Agreement dated the 6th day of April, 1999, the Company has the right to increase the rates of any of the Skilled Occupations, notwithstanding anything to the contrary contained in the Collective Agreement.

The term "Skilled Occupations" shall mean those occupations designated as "Skilled Occupations" in the Memorandum of Agreement between the parties dated the 25th day of May, 1973, amended October 5, 1981, amended January 27, 1996 and attached.

Any such increase when made, shall not be made on an individual employee basis, but shall apply throughout the classifications or classification designated. The Company shall notify the Union of such increase by letter prior to installation. The letter of notification shall be signed by the Local Union President. Such increase or increases shall become incorporated in the occupation rate and in Schedule "A" of the Collective Agreement.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

NATIONAL STEEL CAR LIMITED

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SKILLED OCCUPATIONS

DEPT. 230 – SPECIAL PRODUCTS

Welder – Grade I or Merit Rated (Day Rate)
Die Maintenance Welder
Jig Construction & Layout – Grade I

DEPT. 240 – WOOD MILL

Carpenter – Grade I

DEPT. 270 – STEEL CONSTRUCTION

Jig Construction & Layout – Grade I

DEPT. 330 – EQUIPMENT

Pipe Bender

DEPT. 340 – PAINT SHOP

Layout Stencil Cutter
Paint & Blast Technician

DEPT. 363 – CASTING YARD

Lift Truck – Mechanical Repair
Checker
Lift Truck Operator
Truck Driver

DEPT. 511 – GENERAL STORES

Checker
Truck Driver

DEPT. 512 – JANITORS & SWEEPERS

Truck Driver

DEPT. 514 – INSPECTION

Inspector – Grade I
Inspector – Grade II
Inspector – Grade III

DEPT. 601 – DIE SHOP

Die Sinker – Grade I
Tool Maker – Grade I
Tool Maker – Grade II
Lead Hand Machinist
Heat Treater (Merit Rated)
Tool Maker – Grade III
Machinist – Grade I
Heat Treater – Grade I
Lathe, Planer, etc. – Grade I
Machinist – Grade II
Bench Hand – Grade I

DEPT. 602 – PATTERN SHOP

Checker – Template
Pattern & Template Maker
Template Maker – Grade I
Template Maker – Grade II

DEPT. 603 – POWER HOUSE

Stationary Engineer – 3rd Class
Stationary Engineer – 4th Class

DEPT. 606 – LOCO & LOCO CRANES

Derrick Operator
Locomotive Engineer – Radio Control
Locomotive Engineer
Conductor
Switchman
Checker

DEPT. 607 – CRANES

Crane Operator (Remote Control Double Hoist – Steel Yard)
Radio Control Crane Operator (Spec. Prod.)
Crane Operator – Double Hoist
Crane Operator (Crane No. 9 & 10 only)
Crane Operator
Transfer Operator (Car)
Lift Truck Operator

DEPT. 610 – ELECTRICAL

Robotic & C.N.C. Repairs
Electronic Electrician – Grade I
Electrician – Grade I
Electrician – Grade II
Electric Motor Winder & Repairs

DEPT. 610 – MILLWRIGHTS

Millwright – Grade I
Millwright – Grade II
Bricklayer – 1st Class
Carpenter (Maintenance) – Grade I

DEPT. 610 – PIPEFITTING

Pipefitter – Grade I
Pipefitter – Grade II

DEPT. 612 – WELDING SERVICES

Instructor
Automatic Welding Machine Construction & Layout
Welding Maintenance – Grade I
Welding Maintenance – Grade II

ALL DEPARTMENTS – LEAD HANDS

Lead Hand – Grade I
Lead Hand – Grade II



NATIONAL STEEL CAR LIMITED
 P.O. BOX 2450
 HAMILTON, ONTARIO L8N 3J4
 (905) 544-3311

RE: SUPPLEMENTARY UNEMPLOYMENT BENEFIT

Dear Sirs:

Enclosed herewith please find a copy of the Company Supplemental Unemployment Benefit Plan. This Plan will be kept in effect during the life of the Collective Agreement but shall not be construed to be in any way part of the Collective Agreement. Supplemental Unemployment Benefit payment will be \$60.00 per week.

The funding limit shall be increased to three hundred dollars (\$300.00) per employee, subject to appropriate regulatory approval.

- (a) Employees with one (1) full year of service up to five (5) years – two (2) weeks of Supplementary Unemployment Benefit.
- (b) Employees with five (5) full years of service up to ten (10) years – three (3) weeks of Supplementary Unemployment Benefit.
- (c) Employees with ten (10) full years of service up to twenty (20) years – five (5) weeks of Supplementary Unemployment Benefit.
- (d) Employees with twenty (20) full years of service and over – Supplementary Unemployment Benefits until fund is depleted.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

NATIONAL STEEL CAR LIMITED

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NATIONAL STEEL CAR LIMITED
 P.O. BOX 2450
 HAMILTON, ONTARIO L8N 3J4
 (905) 544-3311

RE: TECHNOLOGICAL CHANGE

Dear Sirs:

In the event the Company makes such major changes in technology so as to require substantially new skills which the affected employees do not possess, the Company will endeavour to meet with the Union at least twenty (20) working days in advance of the change and will provide the Union with the relevant information, including job classification and approximate number of employees to be affected by such change. The Company will discuss with the Union measures for dealing with the employees affected by such change, including the feasibility of retraining.

A seniority employee displaced by such technological change whose qualifications do not enable him to use his seniority to obtain another job pursuant to Article 7.09 of the Collective Agreement will be offered up to three (3) days training in his department provided suitable employment is available and if none is available, will be offered up to three (3) days training in another department in the plant.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

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RE: SHIFT ROTATION

Dear Sirs:

This letter will confirm our undertaking given to you during negotiations to implement shift rotation where the work required in a department is duplicated on more than one shift. It is understood that an employee who elects to do so may be permitted to work steadily on the second or third shift.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

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The purpose of this letter is to provide for employees who become qualified in accordance with this letter to be eligible for assignment to car repairs in accordance with the lay-off and seniority provisions of the agreement.

RE. SENIORITY AND QUALIFICATIONS

Dear Sirs:

1. The Company will maintain a list of welders in Department 270W who are qualified to work on car repairs. The list will be available for review on request.
2. If a welder in Department 270W whose name does not appear on the list of qualified employees and who has at least five (5) years' seniority wishes to satisfy the Company that he is qualified to perform welding work on car repairs, he may so indicate in writing on a list to be provided by the Company.
3. In the event that the Company requires at least six (6) welders to work on car repairs, the Company will assign up to two (2) active employees of the number required who have indicated their interest in writing, on the basis of seniority, to work on car repairs for at least sixteen (16) hours in order to enable the employee to satisfy the Company that he is qualified to perform welding work on car repairs.
4. In the event that an employee, after working on car repairs for sixteen (16) hours, demonstrates to the satisfaction of the Company that he is qualified to perform welding work on car repairs, the Company will add his name to the list of welders qualified to work on car repairs in the event that such work is required.
5. If the Company determines that an employee who has been assigned to work on car repairs to demonstrate his qualifications will not be able to do so within sixteen (16) hours, the Company will remove him from car repairs.
6. An employee may only attempt to demonstrate his qualifications once in each twelve (12) months.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

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RE: HUMAN RIGHTS AND SEXUAL AND RACIAL HARASSMENT

The Company and the Union recognize that the *Ontario Human Rights Code* establishes a basic code of conduct by which they should both govern their relationships with each other and others for whom they have responsibility under this Collective Agreement.

National Steel Car Limited commits to ensure that any employee and prospective employee is equal in dignity and worth and has the right to equal treatment by the Company with respect to all aspects of the exercise of managerial authority by the Company, including the hiring, employment opportunities and promoting of all employees.

Such equal treatment shall be without discrimination because of race, sex, ancestry, place of origin, colour, ethnic origin, citizenship, creed, religion, political affiliation, record of criminal offenses, age, marital status, family status, sexual preference, and membership or office in a union.

Any employee who feels that their rights have been violated is encouraged to speak to either their immediate supervisor or Vice-President of Human Resources.

If the situation is not resolved satisfactorily by the Company, the employee should speak to the Union's Human Rights Committee or a member of the Union executive for a solution to the problem.

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APPLICATION FOR THE POSITION OF LEAD HAND

The Company recognizes that certain employees may wish to be considered as Lead Hands. Employees who are interested should advise the Human Resources Office in writing.

TAPE MEASURES - STEEL FABRICATION (DEPARTMENT 220)

For seniority employees in Steel Fabrication, Department 220, the Company will provide tape measures for use in the performance of the employee's regular duties. The Company and the employee shall each pay fifty percent (50%) of the cost of such tape measures.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

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LETTER OF UNDERSTANDING RE: VIDEO SURVEILLANCE

Dear Sirs:

The Company and the Union have had in-depth discussions with respect to the Company's introduction of video camera monitoring equipment.

The Company has advised the Union that the introduction of video cameras was motivated out of genuine concerns for worker safety, theft, vandalism, and sabotage in the plant.

The Union has expressed its concerns over Union Members' rights to privacy and that the Company should pursue other non-invasive methods of investigating alleged employee misconduct and health and safety concerns.

The Company acknowledges the Union's expressed concern that video cameras not be used to monitor work performance nor should they place employees under constant surveillance.

The Company agrees that video cameras will not be used to monitor work performance nor is it the intention to place an employee under constant surveillance. However, this may occur when the cameras are used for the purposes as identified in paragraph 2 of the Letter of Understanding.

The Company has agreed to notify the Union President and the Chairman of the Plant Grievance Committee prior to the installation of more video surveillance cameras in the plant.

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LETTER OF UNDERSTANDING RE: AUTHORIZED TIME OFF FROM WORK

The Company agrees that on the Authorized Time Off (ATO) forms, when someone is obtaining an ATO as relates to a company request, that this will be reflected on the ATO document.

This letter does not form part of the Collective Agreement and shall be neither grievable nor arbitrable.

DATED AT HAMILTON THIS 6TH DAY OF APRIL, 2003

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LETTER OF UNDERSTANDING RE: CONTRACTING OUT

The Company and the Union are committed to the scope and purpose clause as set out in Article 1.01 of the Collective Agreement. Through this commitment, the Company and the Union agree that from time to time, contracting out of work which is normally performed by the bargaining unit may need to take place. However, in order to ensure the integrity of the bargaining unit, it is agreed that issues as relates to contracting out can be discussed at the initiative of either party at monthly Company/Union Meetings.

In order for the parties to have meaningful discussions with respect to resolving contracting out/outsourcing issues, the Company agrees to provide to the local Union President, fifteen (15) days' notice in advance of any implementation of any third party contract in which the third party proposes to contract out work which is normally performed by the bargaining unit. Such notice will be in writing and will give particulars as to the bargaining unit positions that are affected.

None of the provisions of this letter commit the Company to any capital expenditure other than as it deems necessary (i.e. buildings, machinery, mobile equipment).

In instances where the practice has been to have work performed by contractors, the Union may review the situations and recommend change to the Company, for the purposes of discussion. It is agreed and understood that the ultimate decision will rest with the Company as to the use of contractors. Cost considerations would be a factor in reviewing contracting/outsourcing work. The Company is committed to fully utilizing its Electricians, Millwrights, Automatic Welding Machine Maintenance and Pipefitters and protecting the integrity of the Electrical, Millwright, Welding Service and Pipefitting Departments.

The Company and the Union recognize that there may be occasions when emergency repairs require the need for immediate contracting out of work, and in those circumstances the fifteen (15) day notice period would not be provided but notice of the work would be given to the local Union President as soon thereafter as is possible in such situations.

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LETTER OF UNDERSTANDING RE. ARTICLE 5.12

It has been the practice of the Vice President of Human Resources to rectify mistakes as to the quantum of pay, made by the Company, independent of Article 5.12, to the date of error, if the problem was brought to his attention in accordance with Article 5.03.

The Company agrees that the Vice President of Human Resources or his designate, independent of Article 5.12, will continue to rectify company errors as to the employee's quantum of pay for any pay periods in which the employee receives pay. Such rectification will be effected as of the date the original payment was made, subject to the employee and/or the union bringing such matter to the company's attention, in accordance with Article 5.03.

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