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AGREEMENT

between

HAMMOND MANUFACTURING COMPANY LIMITED

and

**THE EMPLOYEES' ASSOCIATION OF THE
HAMMOND MANUFACTURING COMPANY LIMITED**

November 27, 2004 to November 26, 2007

between

**Hammond Manufacturing Company Limited
Guelph, Ontario
hereinafter called the "Company",**

and

**The Employees' Association of the
Hammond Manufacturing Company Limited
on behalf of the employees of the said "Company",
hereinafter called the "Association".**

WITNESSETH THAT the parties agree as follows:

ARTICLE 1 - PURPOSE

1.01 The general purpose of this agreement is the furtherance of the mutual interests of both the Company and the Employees of the Plants under methods which will further, to the fullest extent possible, the safety and welfare of the employees, economy of operation, the quantity and quality of products, cleanliness of the plants and premises and the protection of the Company's property, and further to provide for the establishment of a relationship between the Company and its employees which will contribute to the maintenance of and promotion of a friendly community spirit. Both parties to this agreement recognize it to be their duty to co-operate fully with each other, both individually and collectively towards the attainment of the said objectives.

DEFINITION

1.02 The term "employee" as hereinafter used, refers only to those employees who are represented by the bargaining unit unless otherwise provided.

1.03 Whereas the male gender has been used in this text it shall pertain to both male and female gender alike.

ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Association as the exclusive bargaining agent for all employees of the Company at its facility located in the City of Guelph and its Distribution Centre located in the township of Puslinch, save and except foremen, persons above the rank of foremen, foreman trainee, office, clerical, sales and technical personnel, those engaged in design, research and laboratory work, students employed during the school vacation period, security guards, stationary engineers, persons engaged in the confidential capacity in matters relating to labour relations and persons regularly employed for not more than twenty-four hours per week. The Company will, if requested, supply the Association with a list of those excluded.

2.02 It is further understood and agreed that nothing in this agreement shall abridge the right of any individual to discuss with the Management matters pertaining to wages, hours and working conditions.

ARTICLE 3 - WAGES

JOB LEVELS, RATES AND SCHEDULES

3.01 The joint "Hourly Rated Job Evaluation" plan for job description, Classification and Wage Administration, dated October 1st, 1985 is incorporated into this Agreement as APPENDIX 'A'.

3.02 Job grades, rates, classifications and rates of progression within job grades are set out in Schedule "A" which forms a part of this Collective Agreement. Journeymen with more than one ticket in the following trades → electrician, millwright, tool and die, CNC programmer (3 year diploma), will receive an additional job grade higher.

Upon hiring, employees will be classified in the position for which they were hired and paid at least the start rate of the job.

3.03 When an employee is temporarily transferred to a lower-rated classification at the request of the Company, he shall continue to receive the rate of his former classification.

3.04 When an employee is temporarily transferred to a higher-rated classification at the request of the Company, he shall receive the top rate of the job which he is being transferred to.

3.05 JOB RATES ON JOB POSTINGS

- (i) When an employee is successful on a posting to a higher-rated job, such employee shall receive the present hourly rate of his former job classification or the start rate of his new classification whichever is higher.
- (ii) When an employee is successful on a posting to an equally rated job, such employee shall receive his current rate of pay.
- (iii) When an employee is successful on a posting to a lower rated job, such employee shall receive the hourly rate of the former classification, or the twelve (12) month rate of the new classification whichever is lower.

- (iv) Increases to the new job rate will be in accordance with the time on the job as set out in SCHEDULE "A".
- (v) Increases will continue to be accelerated if the Company determines performance warrants it.

ARTICLE 4 - DUES

4.01 The Company shall deduct from the wages of each employee on active payroll, other than a classification not covered by the Agreement as outlined in Article 2, upon completion of their probation period, the amount equal to the regular weekly Association Dues and remit all such collections to the Association. The Company will endeavour to remit such collections to the Association Financial Treasurer by the 10th of the following month.

ARTICLE 5 - HOURS OF WORK

5.01

- (i) The normal work week for the day shift production personnel shall consist of 8 hours per day, 5 days per week, Monday through Friday. The normal work week for night shift production personnel shall consist of 10 hours per day, 4 days per week, Monday through Thursday.
- (ii) The normal starting and stopping times for day shift production personnel shall be: 7:45 a.m. to 4:15 p.m. with half hour for lunch. The normal starting and stopping times for night shift production personnel shall be: 4:20 p.m. to 2:20 a.m. with 25 minute paid lunch break. The normal starting and stopping times for a three shift (24 hour) continuous operation for production personnel shall be 8:00 a.m. to 4:00 p.m., 4:00 p.m. to 12:00 a.m., and 12:00 a.m. to 8:00 a.m., with one twenty (20) minute paid lunch period.
- (iii) The normal work week shall consist of 40 hours per week and the normal work day shall consist of eight (8) hours (excluding the lunch period), five (5) days per week from Monday through Friday. When the Company intends to change the normal (40) forty hour work week, or introduce new shifts which could interrupt one on one shift arrangements it shall seek and consider the input of the Association

prior to any such change.

- (iv) Notwithstanding the foregoing, the work of certain classifications such as cleaners, maintenance, etc., which by necessity, must be done outside normal hours. The Company, therefore, shall schedule the hours of work for such persons consistent with plant operations.
- (v) It is expressly understood, however, that the provisions of this Article are intended only to provide a basis for calculating time worked and shall not constitute a guarantee as to the hours of work per day nor as to the days of work per week nor as a guarantee of working schedules.

5.02 Overtime at the rate of one and one-half times the regular hourly rate shall be paid for all authorized time worked in excess of eight hours in any one day, or 40 hours in any week; except in the case of authorized work performed after 12:00 noon on a Saturday and any work performed on a Sunday, when double time will be paid. Those employees who work in excess of eight (8) hours in any one day, at their request, to make up time lost as a result of early quits or late starting will be paid at straight time and not held against an employees record if pre-approved by management. Employees shall have until the end of the following week in order to make up any lost time.

5.03 The Company agrees that overtime worked will be on a voluntary basis. However, if circumstances warrant, or if it is considered advisable by the Company to work overtime, it is understood and agreed that all employees will co-operate. It is agreed for the purposes of the Employment Standards Act 2000, that employees may work hours in excess of 8 in a day and 48 in a week. No employee shall work more than 13 hours in a day and no employee shall work more than 60 hours in a week except in the case of an emergency.

5.04 The Company agrees that where feasible, it will distribute available overtime work amongst the employees who are qualified and normally perform such work. An employee who demonstrates improper distribution of overtime under this section will be given the next overtime work for which he is qualified.

5.05 An off-shift premium of 60 cents per hour will be paid for all shift work

performed on any regular shift commencing after 12:15 p.m. and 70 cents per hour after 9:20 p.m.

5.06 CALL IN PAY. An employee who has left the Company premises and who is called in to work outside of his regular scheduled hours shall be paid at the rate of time and one-half his regular rate for all work performed with a minimum of four (4) hours pay at his regular straight time hourly rate, except to the extent that this four (4) hour period overlaps and extends into his regular shift, in which case, the employee shall receive the greater of 4 hours or time and one-half to the regular starting time of the shift and from that time will be paid regular pay during the regular hours.

ARTICLE 6 - VACATIONS

6.01 Vacations with pay shall be granted to all employees on the following basis:

Service as of June 30th	Time	Amount of Vacation Pay
Under 1 year	1 week	4% of total pay
Over 1 year	2 weeks	4% of total pay
Over 5 years	3 weeks	6% of total pay
Over 10 years	4 weeks	8% of total pay
Over 20 years	5 weeks	10% of total pay
Over 28 years	6 weeks	12% of total pay

6.02 "Total Pay" for calculation of vacation pay shall include only wages paid for work performed, Weekly Indemnity insurance paid, WSIB paid, and previous Vacation Pay paid, excepting those employees who terminate their employment.

On termination, these persons will be paid Vacation Pay based on their regular % of earnings, except that the "earnings" will not include previous Vacation Pay paid. Retirement on Pension or Death is not considered as termination.

6.03

- (i) The vacation year is from July 1st up to and including June 30th of the following year. The employee's vacation is based on service with the Company as of June 30th for the vacation year.

- (ii) The period on which all vacation pay calculations are made will be the 12 month period from 1st July to 30th June except for Weekly Indemnity insurance paid and WSIB paid which will be based on the 12 month period from 1st May to 30th April.

- (iii) Employees who wish to receive their vacation pay at the time of their vacations will inform the Company prior to June 1st. Employees may request blocks of weeks of vacation pay to be held regardless of whether or not they have scheduled their holidays before June 1st. Unless the Company is notified by the employee vacation pay will be paid in the month of July. It is also understood that it is the employee's responsibility to inform Human Resources as to when they wish to receive their vacation pay. Any portion of the requested held vacation pay remaining will be paid out the following June 30th.

6.04 Employees completing their anniversary dates of employment with the Company between 1st July and 31st of December, shall have their vacation entitlements and vacation pay adjusted to coincide with Article 6.01 above.

6.05 The Company will, wherever practicable, grant a continuous vacation period to those employees who are entitled to more than two weeks, providing the requests for same are received by the management before 1st March: and further providing that the numbers being granted same will not interfere with the Company maintaining production schedules and/or meeting delivery commitments. The Company will reply by 1st April if the employee request is in by 1st March. Vacation entitlements cannot accumulate from year to year. June 30th is the deadline date for taking the previous year's vacation. The Company will hand out Vacation Request forms by February 1.

6.06 A vacation bonus of \$35.00 for each week of entitlement will be paid to

those who are entitled to two (2) weeks or more of vacation.

2 Weeks Vacation	\$ 70.00 bonus
3 Weeks Vacation	105.00 bonus
4 Weeks Vacation	140.00 bonus
5 Weeks Vacation	175.00 bonus
6 Weeks Vacation	210.00 bonus

Such vacation bonus shall be payable during the month of July.

Note: Vacation Bonus is not payable on termination of employment. However, vacation bonus shall be paid on a pro-rate basis to employees who are retiring.

6.07 Employees completing their anniversary dates of employment with the Company between 1st of July and 31st of December shall have their vacation bonus adjusted to coincide with Article 6.06 above.

ARTICLE 7 - BULLETIN BOARD

7.01 The Association Executive shall have the right to post notices on its bulletin board of matters pertaining to the Association and/or Company at its discretion.

7.02 The Employees shall have the right to post notices on the board supplied for such purposes in the plant, provided such notices have first been approved by officials designated by the Company.

ARTICLE 8 - RELATIONSHIP

8.01 The Company and the Association agree that there will be no intimidation, discrimination, interference, restraint, or coercion exercised or practised by either of them or their representatives or members because of an employee's membership or non-membership in the Association or because of his activity or lack of activity in the Association. The Association further agrees that there will be no Association activities during Company time or on the premises of the Company except as specifically permitted by this agreement or by the Company.

8.02 Employees shall have access to their personnel file at reasonable times including regular working hours. Appointments to review their file shall be made at the Personnel Office.

8.03 Association and Management Committee meetings shall be held the third Wednesday of every month commencing at 8:00 a.m. for the purpose of discussing all matters of mutual concern, or at such alternate time and date as mutually agreed upon by both parties. The Company will compensate employees attending such meetings at their regular rate of pay. Compensation will not be allowed for time spent outside the employee's regular working hours.

ARTICLE 9 - SENIORITY

9.01 (a) An employee will be considered on probation and will not be subject to seniority provisions of this Agreement, nor shall his name be placed on the seniority list until after the completion of one hundred-eighty (180) calendar days with the Company without a layoff or termination. Upon completion of such probationary period, the employee's name shall be credited with 180 days of seniority. The dismissal of a probationary employee shall not be made the subject of a grievance.

9.01 (b) Employees may be hired for a specific term not to exceed six (6) months for the following reasons:

- i) To replace an employee who is on an approved leave of absence, absence due to WSIB disability, sick leave, pregnancy/parental leave of absence, or long term disability
- ii) To cover vacation periods
- iii) To perform a special non-recurring task

This term may be extended for a further six (6) months on mutual agreement of the Association and the Company.

The Company will outline to the employees selected to fill such temporary vacancies and the Association, the circumstances giving rise to the vacancy and the special conditions relating to such employment.

Apart from the reasons outlined above, the Company agrees that it will not hire temporary employees within the scope of the Association Bargaining Unit. For purposes of clarity it is understood that nothing in the foregoing prevents the Company from hiring individuals who are excluded from the Association Bargaining Unit as defined in Article 2 - Recognition.

It is agreed that notwithstanding any provision of the Collective Agreement that temporary employees as defined above shall not be covered by any of the terms and conditions of the Collective Agreement.

9.02 Seniority lists shall be established for the following plants:

ENCLOSURE FACILITY / DISTRIBUTION CENTRE

Seniority lists shall be established by:

1. Department
2. Facility
3. The facility located in the City of Guelph including the Distribution Centre located in the Township of Puslinch. The Company agrees to provide the Association with the seniority lists every three months or upon request if circumstances require.

TRANSFERS

9.03 Effective November 27, 2001, an employee who may be transferred outside the scope of this agreement, and is subsequently transferred back to a position covered by this agreement, shall retain his seniority previously acquired. He shall have added thereto the length of time served outside this agreement provided his transfer back to a position covered by this agreement is within 2 calendar years from the date of transfer outside the agreement. The employee may transfer back to a position covered by this agreement by the job posting procedure when the Company is filling the position from the street.

JOB POSTING

9.04 (a)

- (i) When a vacancy occurs or a new position is created not listed in Schedule A it shall be posted for three (3) working days to give employees an opportunity during those days to apply to fill the position.
- (ii) The job posting will include the basic duties and qualifications, and the job grade and rate of pay.
- (iii) An employee who wishes to apply for any posting shall make an application to the Company on the form provided for that purpose.
- (iv) In all cases of application for a job posting, the following factors shall be considered by the Company:
 - 1. Skill and ability to do the work, qualifications, prior work experience and efficiency.
 - 2. City wide seniority

Where the factors in (1) between candidates are relatively equal in the judgement of the Company, which shall not be unreasonably exercised, factor (2) shall govern, providing the employees have the necessary qualifications to perform the work in question.

- (v) When an employee has been selected for a job, such an employee shall be ineligible for any further consideration for a period of six (6) months from the date they accepted the position. Employees selected for a job shall be announced on the notice board and a copy sent to the Association within one week of the selection.
- (vi) The Company will allow those employees who are fully qualified and have shown interest, out of the lock-in period providing there are no other qualified applicants for the posting. In determining an employee's qualifications the Company will take into consideration their skill, ability, prior work experience and efficiency to perform the normal work requirements of the job.
- (vii) New hires are ineligible to apply for transfer for six (6) months.

- (viii) When an employee has been selected for a job, which was posted and has not been placed in that job within fourteen (14) calendar days of being notified, he will be given the appropriate rate for the new position and a change in job classification.
- (ix) An employee who suffers from an illness, a non-occupational injury or an injury sustained at work or who becomes affected by an occupational disease during the course of his employment and is unable to perform his job as a result thereof, will be given preference on a one time basis for a posting for which in the Company's opinion the employee is qualified to perform, which shall not be unreasonably exercised.

LAYOFFS AND RECALLS

9.04 (b)

All cases of layoff shall be by Department seniority by Job Title providing the remaining employees have the skill, ability, prior work experience and efficiency to perform the available work within one (1) work shift.

9.04 (c)

Notwithstanding the foregoing - Preferential seniority will be granted to the persons holding the following Association Executive positions to protect them against layoff:

President	Vice-President / Financial Treasurer
Recording Secretary	Chief Stewards

9.04 (d)

The Company shall give the Association President and Chief Stewards written notice by the day prior to such layoffs and recall.

9.04 (e)

Employees exercising their seniority preference shall have the assistance of a Steward or any Executive Member if they so request.

9.05 (a)

- (i) It is understood and agreed that employees exercising their seniority preference will be allowed to select up to three (3) jobs. If the employee does not possess the skill and ability, prior work experience and efficiency to meet the normal requirements of the job in the time allotted, they will be allowed to look beyond the first three (3) jobs selected.

Employees having more than one hundred-eighty (180) calendar days seniority, and less than one (1) year shall be entitled to exercise Departmental and/or Group Seniority preference providing they have the skill, ability, prior work experience and efficiency to meet the normal requirements of the job title within three (3) work shifts.

Employees having more than one (1) year's seniority shall be entitled to exercise Departmental and/or Group Seniority preference providing they have the skill, ability, prior work experience and efficiency to meet the normal requirements of the job title within three (3) work shifts.

Employees having more than fifteen (15) years seniority shall be entitled to exercise Departmental and/or Group Seniority preference providing they have the skill, ability, prior work experience and efficiency to meet the normal requirements of the job title within five (5) work shifts.

- (ii) In the event there are no such jobs available for the laid off or displaced employee with more than one (1) year's seniority, under (i) above, a block of the least senior jobs on the Group Seniority list shall be formed containing the greater of thirty-five (35) such jobs or two (2) times the number of such employees so affected.

In the event there are no such jobs available for the laid off or displaced employee with more than three (3) year's seniority, under (i) above, a block of the least senior jobs on the Group Seniority list shall be formed containing the greater forty (40) such jobs or two (2) times the number of such employees so affected.

In the event there are no such jobs available for the laid off or displaced employee with more than ten (10) year's seniority, under (i) above, a block of the least senior jobs on the Group Seniority list shall be formed

containing the greater of forty-five (45) such jobs or two (2) times the number of such employees so affected.

In the event there are no such jobs available for the laid off or displaced employee with more than fifteen (15) year's seniority, under (i) above, a block of the least senior jobs on the Group Seniority list shall be formed containing the greater of forty-five (45) such jobs or three (3) times the number of such employees so affected.

- iii) On the basis of seniority, the laid off employee(s) shall be transferred, if he chooses, to a job in such a block which he is capable of performing within fifteen (15) working days, meeting the normal requirements of the job title in terms of quality and quantity. The decision to permit or deny such transfer will be based on the employees skill, ability, prior work experience and efficiency.
- (iv) Employees having more than three (3) year's seniority will further be entitled to exercise their seniority preference to a job in such block which he is capable of performing within twenty (20) working days, meeting the normal requirements of the job title in terms of quality and quantity. The decision to permit or deny such transfer will be based on the employees skill, ability, prior work experience and efficiency.

Employees having more than ten (10) years seniority will further be entitled to exercise their seniority preference to a job in such block which he is capable of performing within twenty-five (25) working days, meeting the normal requirements of the job title in terms of quality and quantity.

Employees having more than fifteen (15) year's seniority will further be entitled to exercise their seniority preference to a job in such block which he is capable of performing within thirty (30) working days, meeting the normal requirements of the job title in terms of quality and quantity. The decision to permit or deny such transfer will be based on the employees skill, ability, prior work experience and efficiency.

- (v) If there is no such job available, the employee shall be laid off and await recall.

9.05 (c)

It is understood and agreed that the Company may not curtail the training period in 9.05 (a) (iii) and (iv) without just cause. In the event the employee is not able or does not wish to complete the training period or cannot satisfactorily perform the job within the required period, he shall be laid off and await recall.

9.05 (d)

- (i) All cases of recall shall be as follows:
- seniority by job title for all internal employees
 - if one of the external laid off employees hold the job title, then these employees are considered in order of seniority providing the employee(s) has the skill, ability, prior work experience and efficiency to perform the work of the job title which is open, within five (5) work shifts
 - the position will be posted as per the Job Posting article for all full time internal employees
 - return to external laid off employees to consider in order of seniority providing the employee(s) has the skill, ability, prior work experience and efficiency to perform the work of the job title which is open, within five (5) work shifts
 - failing the above, individuals may be hired from the street
- (ii) An employee shall retain recall to his original departmental job title. Should an employee be offered recall to their original job title, other than his own department, and refuses such recall, he shall only retain recall to his original job title.
- (iii) Should an employee be offered recall to a job other than his original job title, and such job is three (3) job grades or lower than his original job title, and refuses or accepts such recall, he shall only retain recall rights to his original job title, or any job equal to or two (2) job grades lower than his original job title. Further should an employee be offered recall to a job other than his original job title equal to or two (2) job grades lower than his original job title, and refuses or accepts such recall, he shall then only retain recall rights to his original job title.
- (iv) The employer shall give notice of recall by registered mail to the last recorded address of the employee. The employee shall keep the employer advised at all times of his current address.

(iii) The Company will supply the Association with an updated recall list upon request by the Association.

BUMPING PROCEDURE

This chart is not designed to replace the language in the Collective Agreement, but rather to assist in the understanding of the process.

0Seniority		1Group Wide
more than <u>180</u> calendar days and less than 1 year	Less senior jobs	3 days
more than 1 year	Less senior jobs Size of block Days in block	3 days 35 or 2 x employees originally laid off 15 days
more than 3 years	Less senior jobs Size of block Days in block	3 days 40 or 2 x employees originally laid off 20 days
more than 10 years	Less senior jobs Size of block Days in block	3 days 45 or 2 x employees originally laid off 25 days
more than 15 years	Less senior jobs Size of block Days in block	5 days 45 or 3 x employees originally laid off 30 days

RECALL

More than 20 years seniority - 48 months recall from date of move
 More than 10 years seniority - 36 months recall from date of move
 More than 2 years seniority - 24 months recall from date of move
 Less than 2 years seniority - Length of service from date of move

This applies to internal bumping or laid off to the street.

TERMINATION OF EMPLOYMENT

9.06 An employee shall lose his seniority standing and his name shall be removed from all seniority lists and he shall be deemed to have been terminated:

- (a) If an employee quits.
- (b) If the employee is discharged and such decision is not reversed through grievance procedure, including arbitration.
- (c) If the employee is absent for more than three consecutive working days without notifying the Company, unless a satisfactory reason for not notifying the Company is provided.
- (d) If the employee fails to return to work from layoff within five (5) working days after notification to do so, unless he furnishes satisfactory reasons for such failure to the Company.
- (e) If an employee with seniority is laid off and not called back to work for a consecutive period exceeding his length of service at the time of layoff or twenty-four (24) consecutive months, whichever is less. Employees with 10 or more years of service who are laid off to the street will maintain recall right for 36 months from date of layoff to the street. Employees with 20 or more years of service who are laid off to the street will maintain recall rights for 48 months from date of layoff to the street. It is understood that any seniority accumulated after 24 months of such layoff will be solely for the purpose of layoff and recall rights only.

9.07 Serious illness for an extended period of time will not result in loss of seniority:

- (a) For employees with less than one (1) year of seniority, it will accumulate for a period equal to their length of service prior to illness; and thereafter, it will be maintained.
- (b) For employees with more than one (1) year of seniority, it will accumulate for a period of one (1) year; and thereafter, it will be maintained.

- (c) For employees with more than ten (10) years of seniority, it will accumulate for a period of two (2) years; and thereafter, it will be maintained.

It is understood, however, that on returning to work the employee concerned must possess the necessary skill, ability, efficiency and willingness to perform the work to be done.

9.08

- (i) Temporary transfers shall not exceed forty-five (45) days worked. These periods may be extended if both parties indicate their acceptance. Transfers, which are not temporary, shall be made in accordance with article 9.04 (a).

PREGNANCY AND PARENTAL LEAVE

9.09 Pregnancy and Parental Leave will be as set out in the Ontario Employment Standards Act.

ARTICLE 10 - REPRESENTATION

10.01 The Association may elect or select one steward for each Department from amongst the employees in that Department, who have completed their probationary period, for the purpose of assisting employees in presenting grievances to the Company as set forth in this Agreement. One additional steward who works steady nights, and has completed the probationary period, may be elected or selected to represent the night shift personnel plant-wide.

10.02 The Company recognizes the right of the Association to appoint or otherwise select a Grievance Committee of three employees who have completed their probationary period.

10.03 The Association shall keep the Company notified in writing of the names of the stewards and members of the Grievance Committee and the effective date of their appointment.

10.04 It is agreed that stewards and members of the Grievance Committee

shall continue to perform their regular work. However, in accordance with this understanding, should they be required to assist an employee in presenting a grievance during working hours, they will not leave their work without first obtaining the permission of their immediate supervisor, which permission shall not be unreasonably withheld. It is also understood that a steward or member of the Grievance Committee shall not enter another area without first obtaining the permission of the supervisor of such area, which permission shall not be unreasonably withheld, and notifying him of the personnel involved. Prior to returning to his work, a steward or member of the Grievance Committee will report to his immediate supervisor. In accordance with this understanding, the Company will compensate such employees for time spent in dealing with the employee's grievances at their regular rate of pay. Compensation will not be allowed for time spent outside of the employee's regular working hours.

ARTICLE 11 - GRIEVANCE AND ARBITRATION

11.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible, and it is understood that an employee has no grievance until he has first given his supervisor an opportunity to adjust the complaint. If an employee has a complaint, he shall discuss it with his supervisor within three (3) working days after the circumstances giving rise to the complaint have occurred or have or ought to have reasonably come to the attention of the employee: failing settlement within one (1) working day thereafter, it shall then be taken up as a grievance within three (3) working days following advice of the supervisor's decision; in the following manner and sequence:

STEP NO. 1 The employee, with a steward, may present his grievance to his supervisor. The grievance shall be in writing on a grievance form approved by the Company and the Association and shall include the remedy sought and shall be sufficiently specific to identify the alleged violation of the Agreement; failing settlement the supervisor shall deliver his decision in writing within three (3) working days following the presentation of the grievance to him. Failing settlement:

STEP NO. 2 Within three (3) working days after the decision in Step No. 1 is given, the employee, with a steward, may submit the grievance in writing to the

Operations Manager or his designate. A meeting will be held with the Operations Manager or his designate and Chief Steward or Department Steward and/or employee to discuss the grievance. Within three (3) working days after this meeting, the Operations Manager shall deliver his decision in writing following the presentation of the grievance to him.

STEP NO. 3 Within three (3) working days after the decision in Step No. 2 is given, the griever, who shall have the assistance of the Grievance Committee, may submit the grievance in writing to the Group President or his designate. A meeting will then be held within five (5) working days between the Group President or his designate, and the Grievance Committee (which the Company may restrict to not more than two (2) members at the meeting) and the President or his designate, or the Association shall be present at the request of either the Company or the Association. The decision of the Group President or his designate shall be delivered in writing within seven (7) working days. It is understood that the Group President or his designate, and the Grievance Committee of the Association may have such council and assistance as they may desire at any such meeting.

11.02 All decisions arrived at between the Company and the Association shall be final and binding upon the Company, and the Association and the employee or employees concerned.

11.03 Failing settlement under the foregoing procedure or any grievance between the parties arising from the interpretation, application, administration or alleged violation of the Agreement, including any question as to whether a matter is arbitrable, such grievance may be submitted to arbitration as hereinafter provided. If no written request for arbitration is received within one (1) month after the decision under Step No. 3 is given, the grievance shall be deemed to have been settled.

11.04 Where no written answer has been given within the time limit specified, the grievance may be submitted to the next step of the foregoing procedure, including arbitration.

11.05 (a)

It is agreed that a grievance arising directly between the Company and the Association shall be originated under Step No. 2 and the time limits set out

with respect to that step shall appropriately apply. It is understood, however, that the provisions of this Section may not be used with respect to a grievance directly affecting an employee or employees and that the regular grievance procedure shall not be thereby by-passed.

11.05 (b)

Where a number of employees have the same grievance and each employee would be entitled to grieve separately, they may present a group grievance in writing signed by each employee at Step No. 1 of the grievance procedure within three (3) days following the occurrence or origination of the circumstances giving rise to the grievance. The grievance shall then be treated as having been initiated at Step No. 1 of the grievance procedure and the applicable provisions of this agreement shall then apply.

11.06 No adjustment effected under the Grievance Procedure or Arbitration Procedure shall be made retroactive prior to the date the grievance was formally discussed or presented to the Company under the Grievance Procedure except in matters of clerical errors affecting an employee's pay.

11.07 It is agreed that if there is a period of twelve (12) months since the last disciplinary notice, the previous disciplinary notice shall be removed from the employee's Personnel file.

However, it is agreed that should there not be a twelve (12) month period between disciplinary notices, then all such notices shall remain in the employee's Personnel file.

It is also agreed that any continuous absence of one (1) month or more to a maximum of six (6) months will not count as part of the twelve (12) month period.

ARBITRATION

11.08 (a) When either party requests that any matter be submitted to

arbitration as hereinbefore provided, it shall make such request in writing addressed to the other party to this Agreement and at the same time nominate an arbitrator. Within five (5) days thereafter the other party shall nominate an arbitrator; provided, however, that if such party fails to nominate an arbitrator as herein required, the Minister of Labour for the Province of Ontario shall have the power to effect such appointment upon application thereto by the party invoking arbitration procedure. The two arbitrators so nominated, shall attempt to select by agreement a chairman of the Arbitration Board. If they are unable to agree upon such a chairman within a period of five (5) working days, they shall then request the Minister of Labour for the Province of Ontario to appoint an impartial chairman.

11.08 (b) Notwithstanding the foregoing procedure for the creation of a Board of Arbitration, it is understood that the parties may in any case, agree in writing to have a matter heard before a Sole Arbitrator and the foregoing process shall apply with necessary modifications.

11.09 No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

11.10 No matter may be submitted to arbitration, which has not been properly carried through all requisite steps of the Grievance Procedure.

11.11 The Arbitration Board shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify, add to or amend any part of this Agreement.

11.12 The proceedings of the Arbitration Board will be expedited by the parties hereto and the decision of the majority and where there is no majority, the decision of the chairman will be final and binding upon the parties hereto and the employee or employees concerned.

11.13 Each of the parties hereto will bear the expense of the Arbitrator appointed by it and the parties will share equally the expenses, if any, of the chairman of the Arbitration Board.

11.14 The time limits fixed in both the Grievance and Arbitration Procedure may be extended by consent of the parties to this Agreement in writing.

ARTICLE 12 - DISCHARGE OR SUSPENSION

12.01 A grievance by an employee who has been suspended shall be filed, in writing, at Step 2 of the grievance procedure within three (3) working days after the employee has served the suspension.

12.02 A grievance by an employee who has been discharged shall be filed, in writing, at Step 3 of the grievance procedure within three (3) working days after the employee ceased to work for the Company.

12.03 Prior to suspension or discharge the Company shall provide reasons for such suspension or discharge to the employee with a steward unless such employee refuses representation. The suspension or discharge shall be confirmed in writing to the employee and the Association.

Where requested the employee shall have the right to a meeting with a steward or Association officer of his choice for up to fifteen (15) minutes before leaving the plant at a place designated by the Company. If an employee is a danger to himself or others, this does not apply.

ARTICLE 13 - SAFETY AND HEALTH

13.01 The Company shall make reasonable provisions for the safety and health of its employees during working hours. It shall be the duty of all employees to make use of all protective equipment available. Plant rules and plant safety rules are posted throughout the plant.

13.02 As all employees are required to wear safety shoes, the Company will subsidize the purchase of a maximum of one (1) pair of safety shoes per employee per year. The subsidy will be \$125.00 per pair maximum. The subsidy for anti-static ("SD") rated safety shoes for painters will be \$150.00 per pair maximum. Effective November 27, 2005 the subsidy will be \$130.00 per pair maximum and the subsidy for anti-static ("SD") rated safety shoes for painters will be \$150.00 per pair maximum. Effective November 27, 2006, the subsidy will be \$135.00 per pair maximum and the subsidy for anti-static ("SD") rated safety shoes for painters will be \$155.00 per pair maximum.

13.03 The Company agrees to arrange for employees to obtain prescription safety glasses providing:

- (i) They work in an Eye Protection Area and are required to wear safety glasses all the time on their job.
- (ii) They purchase safety glasses having the vendor complete the approved form provided by the Company. In accordance with these provisions, the Company will pay 100% to a maximum of \$115.00 of the cost of the prescription glasses (lenses and frames) and \$135.00 for Bifocals and \$150.00 for Trifocals used in their work. This subsidy would apply once in every two (2) years; except that replacement prescription safety lenses will be subsidized to 100% to a maximum of the amounts stated above, when and as required in the Spot Welding and Discing areas.

Effective November 27, 2005, the Company will pay 100% to a maximum of \$120.00 of the cost of the prescription glasses (lenses and frames) and \$140.00 for Bifocals and \$155.00 for Trifocals.

Effective November 27, 2006, the Company will pay 100% to a maximum of \$125.00 of the cost of the prescription glasses (lenses and frames) and \$145.00 for Bifocals and \$160.00 for Trifocals.

13.04 Once an employee submits a letter of resignation to the Company they will no longer be eligible for reimbursement of safety shoes or safety glasses submitted after that date.

ARTICLE 14 - NO STRIKE, NO LOCK-OUT

14.01 The Association agrees that during the term of this Agreement, there will be no strikes, shutdowns, stoppages of work or any acts of any nature, which would tend to interfere with production. The Company agrees that there will be no lockout during the term of this Agreement.

Any employee contravening this section shall be subject to dismissal.

ARTICLE 15 - RESERVATION OF MANAGEMENT RIGHTS

The Association acknowledges that it is the exclusive function of the Company to:

15.01 Maintain order, discipline and efficiency.

15.02 Hire, discharge, classify, direct, transfer, promote, lay off and demote, subject to the provisions of this Agreement. Suspend or otherwise discipline employees for just cause.

15.03 Generally to manage the industrial enterprise in which the Company is engaged and, without restricting the generality of the foregoing, to determine the products to be manufactured, the methods of manufacturing, schedules of production, kinds and locations of equipment to be used, processes of manufacturing, the formulation of its products, to determine and establish standards of performance for all equipment and operation, and the extension, limitation, curtailment or cessation operations.

15.04 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement.

ARTICLE 16 - PAID HOLIDAYS

16.01 Subject to the provisions hereunder, the Company agrees to grant the following Paid Holidays to all employees (who have completed their probationary period): New Year's Day, Heritage Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, half day before Christmas Day, Christmas Day, Boxing Day, half day before New Year's Day and 2 Floaters to be used at the Christmas/New Year's period on a Mutually Agreed Upon Time.

Heritage Day to become a one day floater chosen by the employee and subject to approval by the Company. This floater will be administered in the same way as vacation requests. The company agrees to ensure that an employee who is being laid off to the street will receive their Heritage Day entitlement.

It is further understood however:

16.02 When one of the above listed holidays falls on a Saturday, the preceding Friday will be observed as a holiday; and when it falls on a Sunday, the following Monday will be observed as a holiday and all eligible employees will be paid for the number of hours which they would normally have worked, had there been no holiday. Payments will be made at the regular hourly rate of the employee concerned.

It is agreed that the full time night shift employees will be paid 10 hours for each full Paid Holiday and 5 hours for each half Paid Holiday that occurs during their night shift schedule of work.

16.03 To be eligible for Paid Holiday pay, an employee must work his regular shift on the day immediately preceding and his regular shift on the day immediately following the day on which the Paid Holiday is observed.

16.04 Any employee who has been absent from work for a period of not more than three (3) working days prior to the day on which the Paid Holiday is observed, by reason of illness for which the Company may request certification, authorized leave of absence, or layoff, shall not be disqualified for Paid Holiday pay because of his failure to comply with the requirements of 16.03 above.

16.05 Authorized work performed by an employee on any Paid Holiday for which he qualified for Paid Holiday pay under 16.02, 16.03 and 16.04, will be paid for at the rate of one and one-half times his regular rate of pay.

ARTICLE 17 - BEREAVEMENT, JURY DUTY AND CROWN WITNESS PAY

17.01

- (i) In the event of a death in the immediate family of an employee covered by this Agreement, the Company agrees to grant five (5) working days off at the time of the funeral and make up the employee's regular pay. Immediate family shall mean Father, Mother, Spouse, Common-law Spouse and Child.

- (ii) In the event of a death of an employee's Brother, Sister, Mother-in-law, Father-in-law, Son-in-law, Daughter-in-law, Step Mother, Step Father, Step Child, or Grandchild, the Company agrees to grant three (3) working days off at the time of the funeral and make up the employee's regular pay.

17.02 In the event of a death of an employee's Grandmother, Grandfather, Brother-in-law, Sister-in-law, Step Sister, Step Brother the Company agrees to grant time off with pay on the above mentioned basis for one (1) working day. The employee is responsible for notifying his supervisor in advance and telling him the location of the funeral.

17.03 In the event that an employee is prevented from working his regular shift or shifts due to being called for and reporting for jury duty, or as a crown witness, the Company agrees to make up the difference in pay between the amount received for jury or crown witness duty and the amount the employee would have earned for working his regular shift or shifts. As a subpoenaed witness for the Crown, the Company will make up the difference.

17.04 In order to qualify for such compensation, the employee shall give forty-eight (48) hours prior notice to the Company of such jury or crown witness duty call and present proper evidence from the appropriate public official showing the day and time served and the amount of fee received.

ARTICLE 18 - GROUP INSURANCES

18.01 The Company agrees to provide for all full time employees who have completed their probationary period the sum of \$36,000.00 of Group Life Insurance; effective November 27, 2005 the sum of \$37,000.00 of Group Life Insurance; and effective November 27, 2006 the sum of \$38,000.00 of Group Life Insurance and during the term of this agreement, will pay the full premium cost of same.

18.02 The Company will provide \$4,600.00 Paid Up Life Insurance Policy for each full time employee retiring at age 60 with ten (10) or more years continuous service. Effective November 27, 2005 the Company will provide \$4,800.00 Paid Up Life Insurance.

18.03 The Company agrees to continue during the term of this agreement the

following Group Health Insurance Benefits which are in effect as of November 27, 2004, for all full time employees who have completed their probationary period, and will pay the full premium cost of same:

- (i) Ontario Employer Health Tax and Semi-Private Hospital Care, if not doctor requested, Company to pay 75% and employee to pay 25%.
- (ii) Extended Health Benefit Plan which will include a \$1.00 credit card "AG" Drug Plan.
- (iii) Accidental Death and Dismemberment Benefit of \$36,000.00. Effective November 27, 2005 Accidental Death and Dismemberment Benefits of \$37,000.00.

Effective November 27, 2006, Accidental Death and Dismemberment Benefits of \$38,000.00.

- (iv) Weekly Indemnity up to 26 weeks at 60%.
- (v) Preventative Care Dental Plan, which will change from the 2004 Ontario Dental Association Schedule of Fees to the 2005 Ontario Dental Association Schedule of Fees effective January 1, 2005.

Effective January 1, 2006, change to the 2006 Ontario Dental Association Schedule of Fees.

Effective January 1, 2007, change to the 2007 Ontario Dental Association Schedule of Fees.

Effective November 27, 2003 addition of Major Restorative Procedures – Dentures, Partial Plates, Crowns and Caps - on a 50/50 co-insurance basis within the existing \$2,000.00 annual maximum.

- (vi) Long Term Disability Plan, to include: after 26 weeks, 2/3 of earnings to a maximum of \$1,500.00 per month, to age 65, but is not retroactive.

Effective November 27, 2006, 2/3 of earnings to a maximum of \$1550.00 per month, to age 65, but is not retroactive.

It is understood and agreed that employees on weekly indemnity as of

September 30th, 1980 or who have exceeded their weekly indemnity benefits shall not be entitled to long term disability benefits.

It is further understood and agreed that persons receiving long term disability benefits as of the date of ratification shall continue to receive benefits under provisions of the former Collective Agreement for the period of such disability.

- (vii) Vision Care of \$230.00 every 24 months effective November 27, 2004. Vision Care of \$235.00 every 24 months effective November 27, 2005. Vision Care of \$240.00 every 24 months effective November 27, 2006.

ARTICLE 19 - WAGE PROTECTION

Article 19.01 shall not have any effect during the term of the agreement.

19.01 For the second year of this Agreement, commencing December 1, 2000, a Wage Protection will operate in the following manner:

- (a) A base index shall be established at _____ over the C.P.I. Index for November, 2000 (Base 1981 = 100)
- (b) A cost of living adjustment shall be made quarterly on the basis of a formula of 0.01 (1 cent) for each 0.35 full point rise in C.P.I., over the base index.
- (c) Such adjustment, if any, shall be made the first full pay period following the publishing of the Consumer Price Index.
- (d) The amount of any cost of living allowance in effect at any time shall not be added to an employee's applicable standard hourly rate and will be paid for straight time hours worked only, will not be paid for overtime hours, premium hours or used as basis for calculation of overtime, and will not be included for the calculation of vacation pay.
- (e) In the event Statistics Canada shall not issue the appropriate Consumer Price Indexes on or before the beginning of one of the dates of adjustment, any adjustment in the cost of living allowance required by such appropriate indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.

- (f) The parties to this Agreement agree that the continuance of the cost of living allowance is dependent upon the availability of the monthly C.P.I. in its present form and calculated on the same basis as the Index for September, 1981, unless otherwise agreed upon by the parties. If Statistics Canada changes the form or the basis of calculating the C.P.I., the parties agree to request Statistics Canada to make available a C.P.I., in its present form and calculated on the same basis as the Index for September, 1987.

ARTICLE 20 - DURATION OF AGREEMENT

20.01 This agreement shall continue in effect until the 26th day of November, 2007 and shall continue automatically thereafter for annual periods of one year each, unless either party notifies the other in writing during the period of ninety (90) days prior to the expiration date that it desires to amend or terminate the Agreement.

20.02 Negotiations shall begin within fifteen (15) days following notification for amendment as provided in the preceding paragraph or at such later time as may be agreed upon by both parties.

IN WITNESS THEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives this 11th day of November 2004.

FOR THE COMPANY

Cy Mahy Vice-President, Human Resources

Rick Bruder Human Resources Manager

Donna McWilliams Human Resources Officer

FOR THE ASSOCIATION

Bill Robinson President

Paul French Vice-President / Financial Treasurer

Ted Copeland Secretary

Jim Davidson Chief Steward

Bruce Johnston Chief Steward

LETTER OF UNDERSTANDING #1 MULTI-SKILLING

The Association and the Company agree to work together in order to try and introduce the concept of Multi-Skilling in the Workplace giving preference to senior employees.

LETTER OF INTENT #2 TECHNOLOGICAL CHANGE

Prior to the installation of new types of machines or equipment modification to existing machines or equipment which results in the loss of employment of a senior employee(s) having ten (10) years or greater seniority, the Company agrees to meet with the Association for the purpose of arriving at a mutually agreeable course of action which will have the least detrimental effect on such senior employee(s) and company operations.

The displacement of an employee(s) as a result of depressed business conditions, relocation of reassignment of equipment or product, product obsolescence or market shift or layoffs caused by any strike, lockout, slowdown, sabotage, act of God or breakdown shall not be considered to be a technological change.

LETTER OF UNDERSTANDING #3 NON-CONFIDENTIAL INFORMATION

The Company agrees to provide non-confidential information concerning job awards, hirings, resignation, retirements, illness, marriages and death of bargaining unit employees for the purpose of keeping their employee lists current and to administer their welfare program.

Should any employee advise the Company in writing that they do not want such information released, it will not be released.

LETTER OF UNDERSTANDING #4 THIRD SHIFT

If the Company is contemplating a third shift situation, the Company will meet with the Association to discuss the shifting arrangements that pertain to the third shift and how to give preference to the senior employees.

The Company will give two weeks prior notice of shift changes except when circumstances do not make such notice possible, such as last minute production requirements, meeting customer needs and machine breakdowns.

LETTER OF UNDERSTANDING #6 POSITIONS DELETED

It is understood and agreed that if jobs which were removed from Schedule "A" and listed in the Jobs Deleted schedule, are subsequently re-implemented by the Company at a future date, they will be posted at the same job grade held prior to being removed.

The only exception to this would be if the job content has changed and is not covered by any of the existing job descriptions which have been removed. Then the job would be posted as a new job with a tentative rate of pay and be re-evaluated according to the evaluation process as a new job. It would be kept in line with the present practise dealing with new jobs not covered under Schedule "A" of the Collective Agreement.

LETTER OF UNDERSTANDING #7

This Letter of Understanding concerns employees in the Warehouse working on paid holidays specified in Article 16 where the paid holiday falls on a day when there is not a national public holiday in the United States.

- i. The Company will first ask for volunteers, as it has done in the past.
- ii. Lieu days will be offered and must be used within one (1) year at a mutually agreed upon time.
- iii. A minimum of four (4) employees will be required to work.
- iv. This Agreement will continue in effect during the term of the Agreement.

LETTER OF UNDERSTANDING #8 - PAID HOLIDAYS

PAID HOLIDAYS FOR 2004

1/2 day before Christmas & New Year's Day	Designated Day: December 24, 2004
Christmas Day	Designated Day: December 27, 2004
Boxing Day	Designated Day: December 28, 2004
Floater	Designated Day: December 29, 2004
Floater	Designated Day: December 30, 2004
New Year's Day (2005)	Designated Day: December 31, 2004

PAID HOLIDAYS FOR 2005

Heritage Day (Floater)	
Good Friday	March 25, 2005
Victoria Day	May 23, 2005
Canada Day	July 1, 2005
Civic Holiday	August 1, 2005
Labour Day	September 5, 2005
Thanksgiving Day	October 10, 2005
Christmas Day	Designated Day: December 26, 2005
Boxing Day	Designated Day: December 27, 2005
Floater	Designated Day: December 28, 2005
Floater	Designated Day: December 29, 2005
1/2 day before Christmas & New Year's Day	Designated Day: December 30, 2005

PAID HOLIDAYS FOR 2006

Heritage Day (Floater)	
New Year's Day	Designated Day: January 2, 2006
Good Friday	April 14, 2006
Victoria Day	May 22, 2006
Canada Day	Designated Day: June 30, 2006
Civic Holiday	August 7, 2006
Labour Day	September 4, 2006
Thanksgiving Day	October 9, 2006
Christmas Day	December 25, 2006
Boxing Day	December 26, 2006
Floater	Designated Day: December 27, 2006
Floater	Designated Day: December 28, 2006
½ day before Christmas & New Year's Day	Designated Day: December 29, 2006

PAID HOLIDAYS FOR 2007

Heritage Day (floater)	
New Year's Day	January 1, 2007
Good Friday	April 6, 2007
Victoria Day	May 21, 2007
Canada Day	July 2, 2007
Civic Holiday	August 6, 2007
Labour Day	September 3, 2007
Thanksgiving Day	October 8, 2007

LETTER OF UNDERSTANDING #9

Further to Article 9:01 (B) (1) it is agreed that the replacement employee need not be assigned to the job of the person who is absent, but may be assigned to any position. The total number of replacement employees under 9:01 (B) (1) shall not exceed the number of employees who were absent the month prior. It is also agreed that 9:01 (B) (1) applies to replacements for unplanned absences.

This letter of understanding will be in effect for the first six (6) months of the new agreement and will be renewed every six (6) months thereafter, subject to mutual agreement between the Association and the Company.

**LETTER OF UNDERSTANDING #10
MODIFIED SUMMER HOURS**

The Company agrees during the term of this agreement, to offer the following modified summer hour schedule.

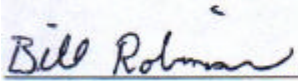
- The summer hour schedule will be in effect for the period beginning on the day after Victoria Day in May, and ending on the Friday immediately proceeding Labour Day in September.
- The hours of work are available to all day shift hourly employees within the Edinburgh Road facility.
- The hours of work will be Monday to Thursday 7:00 am to 4:15pm, and 7:00 am to 12:00 noon on Friday.

Notwithstanding the above, Management retains its right to modify, alter or change the summer hour schedule of work noted above.


Re: Letters of Understanding #1 - 10:

For the Association:

For the Company:



Bill Robinson,
President



Rick Bruder,
Manager,
Human Resources