

**COLLECTIVE LABOUR  
AGREEMENT**

**ENTERED INTO BY**

*[Handwritten scribbles and illegible text]*

**NORTEL**

**AND**

**CANADIAN UNION OF  
COMMUNICATION WORKERS  
UNIT 1**

**EFFECTIVE FROM**

**JULY 4, 2007 TO MARCH 4, 2012**

*02135(08)*

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R The letter "R" appears beside each section or clause of the Agreement which was revised in the last negotiations.

N The letter "R" appears beside each section or clause of the Agreement which was revised in the last negotiations.

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This collective labour agreement was negotiated in French. Consequently, this document is a translation of the negotiated agreement. Should there be a difference between the texts, the French version shall prevail.

**COLLECTIVE AGREEMENT**

MEMORANDUM OF AGREEMENT made

BETWEEN

**NORTEL**

a corporation organized and existing under the laws of Canada

Hereinafter referred to as the "Company"

OF THE FIRST PART

**AND**

**CANADIAN UNION OF COMMUNICATION WORKERS,**

a body corporate duly incorporated under the provisions of the Professional  
Syndicates Act of the Province of Quebec.

Hereinafter referred to as the "Company"

OF THE **SECOND** PART

### **\*ARTICLE1 - RECOGNITION**

- 1.01 Whereas the Canadian Union of Communication Workers was duly certified under the Labour Relations Act by the Labour Relations Board of the Province of Quebec on July 13th, 1945, the Company recognizes the Union as the exclusive bargaining agency for all hourly rated non-supervisory employees in the Province of Quebec excluding Plant Security Staff. This Agreement applies to Unit **No.1** of the Union.

\*See also letter of intent # 1

### **\* ARTICLE2 - GENERAL PURPOSE**

- 2.01 The purpose of this Agreement is to maintain a harmonious relationship between the Company and its employees and to provide an amicable method of settling any differences or grievances which may arise with respect to matters covered by this Agreement.

\* See also letter of intent # 23.

### **ARTICLE 3 - MANAGEMENT RIGHTS**

- 3.01 The Union acknowledges that it has been and still is the exclusive right of the Management of the Company to: hire, lay-off, discharge, classify, transfer, promote, demote or discipline employees, subject to the provisions of this Agreement.
- 3.02 The Union acknowledges the exclusive right of the Company to operate and manage its business in all respects in accordance with its obligations and generally to manage the enterprise in which the Company is engaged, and without restricting the generality of the foregoing to determine the number and location of work areas, the methods to be used in operations, schedules, kinds and location of machines and tools to be used, processes of repairing, warehousing and installing and the control of material and parts to be used.
- 3.03 The functions outlined above will be exercised in a manner not inconsistent with the terms of this Agreement.

### **ARTICLE 4 - NON-DISCRIMINATION**

- 4.01 The Company agrees that there shall be no discrimination or intimidation by the Company or any of its agents against any employee or group of employees because of membership or non-membership in the Union.
- 4.02 The Company also agrees that representatives of the Union shall be free to discharge their duties in an independent manner without fear that their individual relations with the Company may be affected in the least degree by any action taken by them in good faith in their representative capacity.
- 4.03 The Union agrees that neither its officers nor its members will intimidate, discriminate against or coerce any employee or group of employees for the reason that they are or are not members of the Union.

- 4.04** There shall be no discrimination against any employee because of sex, race, religious creed, colour, national origin, sexual orientation, marital status, civil status, handicap or age, except to the extent that legislation so permits.
- 4.05** In this Collective Agreement, words using the masculine gender include the feminine and the feminine masculine; the singular includes the plural, and the plural singular, where the text *so* indicates.

#### \* **ARTICLE 5 - REPRESENTATION**

- 5.01** The number of "District Representatives" necessary to carry out the provisions of this agreement on the Company premises shall be as mutually agreed upon from time to time between the Company and the Union.

The number of Group Representatives shall be one (1) per approximately one hundred (100) employees in the bargaining unit.

- 5.02** The Union agrees to furnish the Company with the names of its duly elected officers and representatives appointed to perform any act in connection with the carrying out **of** this Agreement, and undertakes to promptly notify the Company of any change in the membership of officers or representatives.
- 5.03** ~~The~~ Company agrees that Group Representatives will not be transferred ~~from~~ their voting group, except for upgrading, promotional opportunities or for effect of lack of work.
- 5.04** For the purpose of an effect of lack of work, a Group Representative will not be downgraded or transferred laterally from his voting group while there are junior service employees retained on the same class or lower classified **jobs** which the Group Representative can perform within his own voting group.
- 5.05** For the purpose of an effect **of** lack of work, a Group Representative who has served for four **(4)** or more years consecutively and has fifteen **(15)** years continuous service shall be deemed to have the most seniority within his voting group.
- 5.06** For the purpose of an effect of lack of work, a District Representative who has served for **four (4)** or more years consecutively and has fifteen **(15)** years continuous service shall be deemed to have the **most** seniority within his voting district.
- 5.07** The Company agrees that any elected District Representative shall be assigned to class **5** provided, should he cease to be a District Representative after having completed a mandate of at least forty five **(45)** months, he shall revert to the job and class (or its equivalent) held prior to his election. The treatment **of** his rate of pay will be subject to the provisions of article 36.

\*See also article **36**.

#### **ARTICLE 6 - COMPLAINTS AND GRIEVANCES**

- 6.01** For the purpose of this agreement, a grievance shall mean any dispute involving the following paragraphs:
- a) Wages, hours of work or other working conditions as contained in **this** agreement.

- b) Charges or allegations that an employee or group of employees has been treated unfairly or discriminated against by the Company concerning conditions contained in this agreement.

**6.02** The Company agrees that any employee or Representative thereof may approach Management through supervisory line organization concerning matters which deserve consideration, modification or improvement.

**6.03** It is the mutual desire of the parties hereto that complaints and grievances of the employees be adjusted as quickly as possible.

**6.04** A grievance shall be presented as soon as practicable following the circumstances which caused the grievance to become known to the grievor or the Union.

**6.05** Any differences, disputes or grievances that may arise with respect to the interpretation, application or alleged violation of any provisions of this agreement shall be dealt with in accordance with the grievance procedure which follows:

**6.05.01** Step 1

It is generally understood that an employee having a complaint shall first give the first-level manager concerned an opportunity of adjusting the condition causing the complaint. The employee may request the assistance of a Union Representative when taking up a complaint with the first-level manager.

If an employee or the Union desires to lodge a grievance, he must inform the first-level manager concerned. The latter shall convene a meeting within five (5) working days with the employee and the Union Representative. If the grievance has been submitted in writing, he shall give a written answer to the Union within five (5) working days after the meeting. The written answer must indicate the name of the responsible person at the second step for this grievance. Failing a written submission, the first-level manager concerned shall give a verbal answer within two (2) working days after the meeting.

**6.05.02** Step 2

Failing satisfactory settlement at the first step, within five (5) working days following the answer, the grievance shall be submitted, in writing to the second-level manager with a copy to the first-level manager concerned. The second-level manager shall convene a meeting within five (5) working days with the District Representative and/or his delegate and any other appropriate person convened by one of the parties; the parties shall be informed in advance of the names of the people invited to this meeting. Following this meeting, the management representative shall send a written answer within five (5) working days after the meeting. The written answer must indicate the name of the responsible person at the second step for this grievance.

**6.05.03** Step 3

Failing satisfactory settlement at the second step, the District Representative and/or his delegate shall advise in writing the designated third-level manager within five (5) working days, following the answer at Step 2. The designated third-level manager shall call and chair a meeting within fifteen (15) working days in a final attempt to settle the matter. In attendance will be: the designated third-level manager and the Union President or a District Representative and/or his delegate, or any other person appropriate convened by one of the parties; the parties shall be informed in advance

of the names of people invited to this meeting; The designated third-level manager shall give a decision in writing within ten (10) working days after the meeting.

6.05.04 Any period of time specified in the grievance procedure may be extended by mutual agreement.

6.05.05 **Grievances concerning employees laid off**

The Company and the Union agree that grievances arising from any layoff shall be submitted in writing at the second step by the Union to the designated management representative of the business unit within ten (10) working days after the Union is in receipt of notification of layoff.

The designated management representative must submit **his written** answer within five (5) working days.

6.05.06 **Grievances concerning dismissals and suspensions**

Any grievance involving a dismissal shall commence at Step 3 of the Grievance Procedure within ten (10) days after the Union has been notified in writing of such disciplinary action.

Any grievance involving a suspension shall commence at Step 1 of the Grievance Procedure within ten (10) days after the Union has been notified in writing of such disciplinary action.

6.05.07 **Grievances relative to job descriptions and evaluations**

In the event that an employee believes his job write-up does not reflect his assignment, he must discuss and review his job description with the first-level manager and if the problem is not resolved within a delay of **thirty** (30) days, a grievance may be processed in accordance with the grievance procedure commencing at the second step.

Job Evaluation grievances shall be processed in accordance with the grievance and arbitration provisions of this agreement. In the event of arbitration proceedings of a job evaluation grievance, the Union will, upon request, be allowed to have the job reviewed by a Union Representative for a reasonable period of time accompanied by a member of the Job Evaluation Committee.

6.05.08 **Job posting grievances**

Any grievance related to a job posting must be submitted within seven (7) days of the posting of the employee's name selected for the job, in accordance with the grievance procedure, commencing at the first step.

In the event that the selection for a job vacancy is in dispute, the grievor and the incumbent shall be the only ones considered for the position in contention. The right to grieve shall be restricted to employees who apply for the vacancy. Following a grievance, the names of all applicants shall be made available to the designated Union Representative, if requested.

6.05.09 **Referral to arbitration**



Any grievance concerning the interpretation or alleged violation of this agreement which is not satisfactorily settled in accordance with this Article may be referred to arbitration as provided in Article 7. The request for arbitration shall be forwarded to the designated management representative and must be made within twenty-one (21) days after the final decision of the Company has been given at Step 3, or when the time limits mutually agreed upon have expired.

**6.06 Disposition**

**6.06.01** An employee, if he so desires, may take up a grievance as an individual, through the regular line of organization without recourse to the grievance procedure, up to and including the designated third-level manager as the final step. The Company, however, undertakes that it will not attempt to settle any grievance directly with the employee involved if his grievance has already been discussed with the Company by a Union Representative pursuant to the grievance procedure.

**6.06.02** The Union Representative may intercede on behalf of his members at any time on matters covered by the Agreement which, in his opinion, may affect the employees, either as individuals or as a group, regardless of whether his action is taken as a result of a complaint by an individual or a group or as a result of personal observation.

**ARTICLE 7 - ARBITRATION**

**7.01** Should the Company and the Union fail to reach an agreement in regard to any differences concerning the interpretation or alleged violation of this Agreement, the matter may be submitted to a single Arbitrator.

**7.02** The parties shall attempt to agree on the choice of an arbitrator within twenty (20) working days following the serving of the notice, or within the period of time agreed upon by both parties. Failing agreement by the parties on an arbitrator, an arbitrator shall be appointed by the Minister of Labour at the request of either of the parties.

**7.03** The arbitrator, however, shall not have jurisdiction to alter or change any of the provisions of this Agreement or to substitute any new provisions in lieu thereof, nor to give any decisions inconsistent with the terms and provisions of this Agreement.

**7.04** A grievance submitted within fifteen (15) days of the date on which the cause of the action was initiated, cannot be rejected by the arbitrator for the sole reason that the expected delay in this collective agreement has not been respected.

**7.05** A grievance claiming an employee has been unjustly discharged or suspended may be settled by one of the following steps:

- a) Confirming Management's action in discharging or suspending the employee, or
- b) Re-instating the employee with full compensation for time lost, less earnings from other sources, or
- c) Any other penalty which is just and equitable in the opinion of the arbitrator.

**7.06** a) The conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses and all reasonable arrangements will be made to permit the

conferring parties to have access to work areas to view operations and to confer with the necessary witnesses.

- R
- b) Both parties agree to disclose to each other documentation which may be used in arbitration.
  - 7.07 Both parties hereto will bear equally the expense of the arbitrator appointed.
  - 7.08 The arbitrator must render a decision within thirty (30) days after he has heard the parties on the grievance.

#### **ARTICLE 8 - UNION ACTIVITIES DURING WORKING HOURS**

- 8.01 Representatives shall be permitted to leave their regular work for a reasonable length of time to perform their duties in connection with this Agreement subject to the approval of their immediate supervisor or the Department Manager of the department where they are employed.
- 8.02 The Company agrees to pay employees at their hourly rate (except those on leave of absence) who are Union Representatives for reasonable time spent in the proper administration of this Agreement, during regular working hours.
- 8.03 The Company reserves the right to prohibit soliciting of membership in the Union during working hours or on Company premises.
- 8.04 Newly hired employees will be introduced by their immediate manager to their District Representative or Group Representative. The Representative may meet with the new employee for fifteen (15) minutes.

#### **ARTICLE 9 - ACCESS TO PERSONNEL CARDS**

- 9.01 Any employee, upon request, shall have the right to review his own personnel and/or attendance record card, either individually or jointly with the District Representative in the presence of the employee's immediate supervisor or a representative of the Human Resources Department.
- 9.02 The personnel card and/or attendance record card of any employee in the representative's constituency shall also be made available to the Union District Representative for the purpose of review, if information is required from such records as a result of a complaint or grievance.
- 9.03 In the case of a grievance, the employee's representative will have access to documents concerning the employee which are pertinent to the issue. Such documents will include, but will not be limited to, information related to education, job performance, training and experience.
- 9.04 Review of such information will take place in the presence of the employee's immediate supervisor or a representative of the Human Resources Department.
- 9.05 The Company will provide, upon request, to the district representative a copy of the employee's employment history.

## **\* ARTICLE 10 - INFORMATION TO UNION HEAD OFFICE**

- 10.01 The Company agrees to furnish lists of hourly rated employees eligible for membership in the Union entering the service of the Company, and also to furnish lists of hourly rated employees covered by this Agreement whose employment with the Company is terminated.
- 10.02 The Company will furnish the Union, through the Human Resources organization, a weekly list of hourly rated employees covered by this Agreement who are either hired, returning to work, transferred, laid off, terminated, on maternity and/or parental leave of absence, on leave of absence, on long-term disability, retired or resigned.
- The Union will have access to a report providing the names of the employees transferred out of the bargaining unit.
- 10.03 The Company agrees to furnish monthly to the Union lists by name and employee number of all employees covered by this Agreement. The lists shall be compiled by department in order of Union service date with the Company together with the analysis number of the job and the job code to which the employee is assigned. The Company shall also supply the Union service dates of employees being laid off.
- 10.04 The Company agrees to furnish to the Union semi-annually, in August and February, a list of the names, employee numbers, department numbers and addresses of all hourly rated employees coming under its jurisdiction.
- 10.05 The Company agrees to notify the Union in writing of those cases in which an employee has been given a final review letter - L.A.R.C.
- 10.06 The Company agrees to furnish to the Union, through the Human Resources organization, a copy of published Organizational Notices/Lists. In addition, the Company will inform the Union when an employee is assigned to a temporary manager position as well as the anticipated duration.
- 10.07 The Company agrees to furnish to the Union, monthly, a list showing names and overtime hours paid during the preceding month.
- 10.08 For the purpose of this article, the word Union refers to the Union's head office.
- 10.09 Upon the Union's request, the Company agrees to furnish, through the Human Resources organization, a copy of the preferred hiring list.

\* See **also** letter of intent # 4.

## **ARTICLE 11 - BULLETIN BOARDS**

- 11.01 The Company will furnish, install and maintain a reasonable number of glassed-in and locked bulletin boards as is mutually agreeable, and in locations satisfactory to the Company and the Union.
- 11.02 The Bulletin Boards may be used for any and all of the following purposes concerning the bargaining unit covered by this Agreement as may be determined by the Union:
- a) Notices of Union meetings and the reasons therefor.
  - b) Notices of nomination elections or referendums.
  - c) Results of elections or referendums.

- d) Official records and reports relating to the operation of the Union.
- e) Copies of agreements between the Company and the Union.
- f) Notices of recreational and social affairs.

11.02.01 All such notices shall be sent to the Director of the location or his delegate, before being posted. Unless the Company considers the documents inappropriate or offensive, the documents could be posted.

11.03 When Company notices which refer to the Union are to be posted, the Company agrees to advise the Union of the contents before such notices are posted.

**\* ARTICLE 12A - UNION AND  
CONTINUOUS SERVICE**

12.01 Continuous credited service and Union service shall be based on the date established on the Company records. The continuous credited service and the Union service in the Company shall accumulate ~~from~~ the employee's date of hiring subject to the following conditions:

12.01.01 Continuous credited service and Union service shall terminate for the following reasons:

- a) Voluntary resignation.
- b) Discharge for just cause if not reversed through the grievance procedure.
- c) Absence from work for three (3) or more consecutive working days without the Company being notified. It ~~is~~ considered in such circumstances that the employee has resigned voluntarily unless exceptional conditions, recognized by the Company as such, are involved.
- d) Inability to return to work within two (2) years after sick benefits (if any) have expired; except where an employee ~~is~~ eligible for Company pension.
- e) Inability to return to work within four (4) years from the first full day of absence due to a work accident disability, as recognized by the CSST. In cases where there has been a return to work and a relapse, as recognized by the CSST, from the same work accident occurs, the aforementioned four (4) year period will be calculated as if it were a new accident.
- f) Failure to return to work from layoff within one (1) week after having been notified to report; or within two (2) weeks after having been notified and given satisfactory explanation for not returning at the end of the first week.

It is agreed that laid off employees being recalled will be permitted to give their present employer reasonable notice of termination in order to accept recall.

- g) Failure to return from layoff within the "Union and Continuous service maintains" times, outlined in 12.01.03.

**R** 12.01.02 Deductions from continuous service shall be made for the following reasons:

- a) When an employee with less than three (3) full calendar months of continuous service is absent without pay due to sickness, that period of absence up to a

period equivalent to the employee's continuous service in any consecutive twelve (12) month period, will be granted upon return to work.

- b) Any period of leave of absence without pay in excess of three (3) months, authorized for humanitarian reasons (for example, to provide medical care to a member of his or her immediate family), during a consecutive twelve (12) month period.
- c) Any period of leave of absence in excess of one (1) month in any consecutive twelve (12) months for which approval is granted without credit for continuous service.

**12.01.03** An employee shall maintain recall rights following layoff in accordance with provisions set out below; his continuous service and Union service shall be accumulated and/or maintained as follows:

<b>Union service at date of layoff</b>	<b>Recall rights</b>	<b>Continuous service accumulates</b>	<b>Continuous service maintains Union service accumulates and maintains</b>
Probation completed and less than 1 year	24 months	* 6 months	* 24 months
1 year but less than 5 years	48 months	* 9 months	* 48 months
5 years or more	72 months	* 18 months	* 72 months

\* NOTE: If employee returns from layoff within above periods.

Employees who are on the recall list at the time of ratification are eligible to the above table.

**12.01.04** Continuous service shall be bridged for the following reasons:

An employee whose term of employment has been broken and who is subsequently re-employed, shall be credited with previous continuous service in the following manner, provided that the employee had six (6) months or more of previous continuous credited service when the term of employment was broken.

For the purpose of calculating the Union and the continuous service dates, the first working day following the layoff date shall be the effective date. This practice will apply only to layoffs occurring after the ratification of the present contract and to employees on the recall list (at the date of ratification) for calculation purposes of article 12.01.03.

<b>Period of service break</b>	<b>Previous continuous service credited</b>
1 month or less	at time of re-employment

greater than 1 month  
but less than 1 year

after completing a period of continuous  
service equivalent to the period elapsed  
since recall rights expired or since the event  
causing the service break occurred

1 year or more

after completing 1 year of continuous service

12.01.05 Union service shall be adjusted for the following reasons:

- a) Employees returning to the bargaining unit, without continuous service break, shall have all their Union service credited on the basis of full Company service acquired.
- b) Employees arriving into the bargaining unit with their job or from the COEU, shall have their Union service credited immediately on the basis of full Company service acquired.
- c) Employees whose recall rights within the bargaining unit have expired and who are subsequently rehired shall have their Union service immediately credited less the period which exceeds the time limit stipulated in paragraph 12.01.03 to maintain Union service.
- d) Employees of the bargaining unit whose term of employment has been broken, other than for expiry of recall rights, and are subsequently rehired, shall have their previous Union service credited after one (1) year in the bargaining unit.

12.02 A newly hired employee shall be considered as a probationary employee and shall hold no rights as specified in article 12 of this agreement for the first regular eighteen (18) weeks worked. The eighteen (18) weeks worked probationary period shall be accumulated within not more than one (1) year. After this date, his Union service rights will be retroactive to the hiring date.

A probationary employee is eligible to become a member of the Union and to be covered by all of the provisions of the agreement except when the employee's service is terminated during the probationary period. Such termination of employment shall be subject to the grievance procedure, up to the third step.

Probationary employees may apply for the posted positions as long as the positions are at a higher Class than the Class held by the employee applying.

\* See also articles 34, 37 and letters of intent 4 and 15.

## \* **ARTICLE 12B** **PROMOTION, BUMPING AND LAYOFF**

### 12.03 **Promotions**

12.03.01 In making permanent promotions at class 4 and higher, the Company shall take into consideration ability, skill, experience (excluding experience acquired on temporary assignments) and Union service. When the first three (3) factors are relatively equal, Union service shall prevail.

In the event that the Company must hire additional personnel to fill vacant class 5 jobs, the Company shall consider interested candidates for a trial period.

Job vacancies at class 2 and 3 positions shall be filled on the basis of Union service from among candidates who possess the qualifications, in accordance with the provisions defined in Letter 24.

Before making a selection at class 2 and higher, the manager should favor movements, by Union service, first from amongst employees assigned at the analysis number of the job vacancy and then from amongst qualified employees at the same class or at a class higher than the job vacancy. Concerning selection at analysis number 26159, the manager should favor movements within the following sections: stockroom, receiving, shipping, packing and material return in order of Union Service among the employees assigned to that analysis number.

Before making a selection in the event of a vacancy at class 2 and higher created by a move from amongst employees assigned at the analysis number of the job vacancy or from amongst qualified employees at the same class or at a class higher than the job vacancy, this vacancy shall be filled first by the reinstatement of an employee to his former job from which he was downgraded, then by favoring movements ~~from~~ amongst employees assigned at the analysis number of the job vacancy and then by favoring movements from amongst qualified employees.

In order to draw up a list of candidates for these movements, employees should apply to their manager twice (2) a year, in April and October of each year, for two (2) weeks.

Job vacancies at class 1 shall be filled on the basis of Union service from among those employees who apply. The employee must be able to meet the requirements of the job after a familiarization period of one (1) week.

Subject to the provisions of paragraph 12.03.01, selections for filling vacancies will be made, among others, from qualified employees in the same class or in a higher class than that of the vacancy. However, employees wishing to apply on a job posting at the same class they currently occupy must have completed an assignment period of six (6) continuous months on their present job unless their assignment is the result of the application of article 12.06 (effect of lack of work).

- 12.03.02
- a) The Company will post notices of job vacancies, excluding temporary assignments in class 1 for a period of three (3) working days and in classes 2 and higher for a period of five (5) working days. These notices will be posted at the same time in all locations **and** the selection will be made in accordance with article 12.03.01. In the event that employees are assigned to a twelve (12) hour ~~shift~~, in accordance with letter 19, the Company will post these notices inclusive ~~from~~ Monday to Friday.
  - b) For the purposes of applying article 12.03.02, employees who have been laid off will be presumed to be at work and as having applied for the vacancies at classes 2 to 5 inclusive.
  - c) A vacancy which is filled according to the procedure described in 12.06.02 or by the reinstatement of an employee to **his** former job from which he was downgraded need not be posted.

- d) A vacancy at class 1 which is filled by an employee returning to his bargaining unit within one (1) year will not be posted, providing there is no employee with more Union service on the recall list.
- e) Following a job posting at class 1 or higher, the selection will be made as soon as it is practical to do so. If the selection is not made within thirty (30) days following the end of the posting period, the job posting will be cancelled. Following the selection, the name **of** the successful candidate will be posted on the notice boards in all locations from Monday to Friday and also forwarded to the Union in writing.

12.04 For jobs at class 2 and higher, the qualifications evaluation process for applicants will be subject to consultation between the Company and the district representative.

#### 12.05 **Training**

12.05.01 Training and education can be available in various forms:

- During normal working hours, at work sites
- Outside of normal working hours
  - o At work sites
  - o In teaching institutions
- Training during employment

#### 12.05.02 **Class 1 Jobs**

To be considered for jobs on analysis number 29382, employees will have to complete the training program provided during normal working hours.

#### 12.05.03 **Class 3 Jobs**

Based on operational requirements, the Company is committed to facilitating the obtention of specialized courses (ACS, internal or external training). Registration fees, tuition and the cost of books for the courses will be reimbursed by the Company in accordance with the training reimbursement program. This program will be modified to make funds more easily available to employees registered in the program.

Employees who have received funds, but then left and/or failed the courses will only have to reimburse 50% **of** the funds provided. Under such circumstances, the employee would not be entitled to benefit from training reimbursement for the same course again.

If the number **of** registrations is limited, priority will be given to employees with the most Union service who have the pre-requisites.

#### 12.05.04 **Laid Off Employees**

Employees who successfully complete the training program required by a class 3 position within the period defined in article 12.06.05, paragraph A4, will be entitled to benefit from the tuition refund program

#### 12.06 **Effect of a lack of work**

When faced with a layoff, the Company and the Union will meet, during the notice period, to discuss solutions that could reduce the number of employees affected.



12.06.01 When lack of work necessitates decreasing the workforce, the employees having the least Union service shall be selected as surplus by union service from the analysis number in classes 1 to 5 inclusive, in their department. However, the Company is entitled to maintain an efficient staff and ability will also be considered.

12.06.02 Such surplus employees shall be transferred laterally by analysis number and by Union service at class 1 and, if qualified at class 2 and higher to fill any existing vacancies.

However, prior to junior Union service employees filling these vacancies, the Company should consider the written request of transfer made by an employee from the affected department expressing a desire for a lateral transfer on the same analysis number who possesses the most Union Service. Only requests of qualified employees on file at time of vacancy will be considered.

In order to draw up a list of candidates for lateral transfers, the Company will post a transfer notice twice (2) a year, in April and October of each year, for two (2) weeks.

Candidates may withdraw their transfer request at any time except when selection of candidates is in process.

Also, prior to junior Union service employees filling these vacancies, such vacancies shall be filled by senior Union service employees who have been laid off or who have held the position in the past.

12.06.03 If there are no such vacancies, then surplus employees shall be placed on jobs at the same analysis number, or on jobs for which they are qualified in the same class as that which ~~was~~ surplus or in lower classed jobs by displacing shorter Union service employees.

12.06.04 If surplus employees cannot be placed according to clause 12.06.03, such employees shall be laid off.

12.06.05 In order to clarify paragraphs 12.06.01 to 12.06.04 inclusive, the parties have agreed to the following specific rules to facilitate the handling of surplus employees:

- A) bumping procedure;
- B) layoff procedure.

**A) BUMPING PROCEDURE**

A.1 Surplus employees in class 1 shall be placed on jobs within the same class by displacing employees with less Union service, The employee must meet the normal requirements of the job after a familiarization period of one (1) week.

A.2 An employee about to be laid off shall displace an employee with less Union service at class 1 or higher, if the employee is qualified.

A.3 An employee who has been on the recall list for up to six (6) months shall bump the employee with the least Union service at class 2 within the bargaining unit. The employee shall receive the appropriate training.

A.4 An employee who has been on the recall list for up to six (6) months and who has completed the required training for the job shall displace the most junior Union service employee at class 3 within the bargaining unit.

A.5 An employee who has (15) years of continuous service at the time of layoff and has been on the recall list for up to twelve (12) months and has completed the required training for the job shall displace the most junior Union service employee at class 3 within the bargaining unit.

An employee who has failed to meet the job requirements on a specific job will return to the recall list and will not be recalled for the job in question.

## **B) LAYOFF PROCEDURE**

B.1 Employees who have exhausted their bumping rights in accordance with A.1 to A.2 shall be laid off.

12.06.06 The Company will guarantee all employees, including employees on probation, a minimum of one (1) week advance notice prior to layoff.

12.06.07 Written notification of layoff will also be given to the Union's Layoff and Recall Committee fifteen (15) days prior to the date of layoff. Should this fifteen (15) day notice prove impossible, the designated management representative will consult with the Union. In addition, a copy of the notification of layoff, as mentioned in 12.06.06, will be given to the Union at the same time it is given to the employee.

12.06.08 The Company agrees to notify the Union head office in writing when an employee refuses to exercise his bumping rights.

12.06.09 In the event of lack of work, a probationary employee will be laid off in reverse order of the number of regular days worked (Monday to Friday) and shall have precedence at the location from where he has been laid off over any other hiring from outside the Company, if he submits an application for employment at the time of leaving. A list of these probationary laid off employees who have submitted an application of employment will be given to the Union.

After a period of thirty (30) days following the layoff, these employees shall have precedence over any external hiring in the other locations.

## **12.07 Loans**

Employees having the most Union service may be loaned on a rotation basis to another department for less than a month or for a temporary assignment to replace an employee on leave of absence.

The Union will be advised verbally or in writing of temporary assignments of more than one (1) week.

## **12.08 Special projects**

Employees having the most Union service may be selected on a rotation basis for special projects in the department concerned.

## 12.09 Force Majeure

The following conditions shall apply for a situation arising beyond the control of the Company and necessitating the layoff, within any one-month period, of more than 50% of the work force.

- i) Employees affected by such lack of work will not be subject to the bumping procedure, as per paragraph 12.06, for a period not exceeding three (3) months.
- ii) The Company shall offer the most senior Union service qualified employee the option of performing the remaining work available or electing to be laid off for a maximum of three (3) months and receive only the supplementary unemployment benefit.
- iii) Employees laid off will be recalled as per the requirement of the work available and in keeping with the provisions of the collective agreement.

## 12.10 Recalls

The Union recognizes the right of the Company normally to hire additional people according to the needs of the business, subject to the provisions of this article.

12.10.01 When recalling at classes 1 and 2, the Company will give first consideration to laid-off employees in order of Union service. Such consideration is subject to the following:

- a) Employees laid off refusing a recall will waive their recall rights.
- b) A recalled employee who has failed to meet the job requirements on a specific function will return on the recall list and shall not be recalled for the said function.

12.10.02 When recalling at class 3 and higher, the Company shall give consideration to laid-off qualified employees, in order of Union service.

12.10.03 The Company shall review the records of laid-off employees to determine if they have the potential to be trained to fill existing vacancies, prior to the hiring of new employees.

12.10.04 Employees must keep the Company informed of any change of address. The Company agrees that it shall send a registered notice, telegram or e-mail to the last recorded address.

12.10.05 When the employment offered following a recall is of a duration of two (2) months or less and the employee is employed by another company, the refusal of recall by said employee will not result in the termination of his continuous service.

## 12.11 Rehiring

12.11.01 A laid-off employee shall be given preferred hiring consideration for a period of time equivalent to his recall period from the date such period ceases (maximum six [6] years, including layoff period), if he makes application in writing to the Company and presents himself for employment. Failure to accept an offer of employment shall terminate this preference.

12.11.02 The Company agrees to advise a laid-off individual whose recall rights are about to expire, of his preferred hiring consideration as described in 12.11.01.

**12.12 Transfers**

Before making transfers to locations outside of the Island of Montreal, the Company will give due consideration to the wishes of the employees involved.

**12.13 Method of change**

As per our discussions regarding negotiations in 2004, the Company and the Union agreed that new and revised provisions of this article will take effect within thirty (30) days of ratification of the Collective Labour Agreement.

The Company and the Union agree that should either party evaluate that the new provisions do not meet the established objectives, the Company will revert to the provisions of article 12B of the 2000-2004 Collective Labour Agreement within sixty (60) days.

\* See letters of intent #6, 7, 13, 24 and 26; see also articles 34 and 37.

**\* ARTICLE 13 - SUPPLEMENTARY UNEMPLOYMENT BENEFITS**

13.01 For purposes of application of this article, a layoff can mean a temporary layoff, including one on account of market fluctuations or caused by a phase-out in a manufacturing location or business unit.

**13.02 Schedule of Supplementary Unemployment Benefits (SUB)**

An employee who is laid off after the ratification of the present contract for a period in excess of two (2) weeks solely due to lack of work shall be granted SUB based on his continuous service at the date of layoff in accordance with the following schedule, except as provided for in Letter #6:

<b>Continuous service at date of layoff</b>	<b>Supplementary Unemployment Benefits (SUB)</b>
<b>Period completed</b>	<b>No. of weeks' pay</b>
0 year	0 week
1	6 weeks
2 years	7
3	8
4	9
5	12
6	13
7	14
8	15
9	16
10	20
11	22
12	24
13	26
14	28

Three (3) weeks additional pay for each full year of continuous service thereafter.

13.03 Calculation of Supplementary Unemployment Benefits

SUB payments shall be based on the employee's regular work week hours (excluding overtime) in effect as of the date of layoff.

The rate of pay used in such computations shall be the employee's equivalent weekly rate, including COLA, in effect at the date of layoff.

- 13.04 Each week, the employee shall receive SUB equivalent to 90% of his weekly pay, less Employment Insurance Benefit entitlement, provided he has requested and obtained the Employment Insurance Benefits.

After Employment Insurance Benefits have been exhausted, a laid-off employee shall be entitled to a payment of 60% of his regular weekly pay until total **SUB** entitlement, under 13.02, is exhausted.

- 13.05 For purposes of application of paragraph 13.04, the total combination of Employment Insurance Benefits entitlement, SUB and other compensation shall not exceed, in any event, 90% of the employee's weekly pay.

- 13.06 **SUB** cease when :

- a) the employee resigns,
- b) SUB expire,
- c) the employee refuses to report to work after recall (in accordance with article 12.01.01 f).

In view of this article, the employee has no acquired right to SUB, except during periods of unemployment which are mentioned in paragraphs 13.04 and 13.09.

- 13.07
- a) An employee who has been re-employed following a period of layoff and is again laid off shall be granted SUB based on his overall continuous service after deducting the amount he received from his previous layoff.
  - b) An employee who has been re-employed following a period of layoff and who, after being back at work for a period of one (1) or more years, is again laid off, shall be granted **SUB** based on his overall continuous service.

- 13.08 The Company shall provide the following benefits for nine (9) months following the month of layoff, or for the duration of the Supplementary Unemployment Benefits payment, whichever is the most favourable, as long as the layoff occurs after the ratification of the present contract and laid off employees continue to contribute to those plans to which they are required to make contributions:

- Supplementary Hospital Plan
- Extended Health Care Plan
- Vision Care Plan
- Dental Plan
- Group Insurance Plan - Part I
- Group Insurance Plan - Part II
- Dependent Life Plan

The cost of this extended coverage shall be deducted from SUB entitlement. The form for the maintaining of benefits that needs be completed by employee will be given during the information session preceding his layoff.

- 13.09 Employees eligible to SUB shall not receive SUB during the UIC stoppage period. However, if the layoff persists for more than two weeks, employees shall receive two (2) weeks SUB, upon their return to work, provided they have not exceeded the total amount of SUB in that time. In such event, the SUB payment shall be considered as being made during the UIC stoppage period of two weeks.
- 13.10 In the case of an employee who, within ten (10) working days, is recalled from a layoff, he shall be reimbursed for the layoff period as if he had been actively employed.
- 13.11 Employees must apply for and receive Employment Insurance Benefits before any SUB payments become effective.

\* See also letter of intent # 26.

#### **ARTICLE 14 - NOTICES**

- 14.01 The Company agrees that before any non-supervisory office vacancies, either for clerks or technicians (including time study, manufacturing process layout and skill training) are filled by transfer of an hourly employee or by outside hiring, the Company shall consider only those employees who have applied to a notice of vacancy. Notices shall be posted on bulletin boards visible to all hourly employees.

When qualifications are equal, employees having the greater union service will be given preference, when the selection is made from the applicants.

#### **ARTICLE 15 - SAFETY AND HEALTH**

- 15.01 The Company and the Union recognize that they must endeavour jointly to maintain high standards of safety and health in the workplace. The Company shall take the necessary measures to ensure the safety and health of the employees and will provide information and training, when necessary.
- 15.02 The Company shall maintain adequate health facilities in the work areas and will provide adequate safety devices.
- 15.03 No employee shall be required to operate or use any machinery, tool, die or other piece of equipment in defective order.
- 15.04 In case of equipment considered dangerous, the Union may immediately meet with the Health & Safety Committee in order to check the equipment.
- 15.05 In the case where an employee sustains an injury at work or incurs an occupational sickness during his period of employment, and as a result is permanently unable to perform work similar to that performed prior to this employment injury, he may fill a job vacancy or exercise his bumping rights, as per article 12, on a job corresponding to his physical restriction.

An employee, after completing the probation period, downgraded in accordance with article 15.05, will have his rate of pay frozen until the rate of the new class reaches this rate of pay.

An employee with five (5) years or more of continuous service, downgraded in accordance with article 15.05 from a class to which he has been assigned, will maintain the rate of pay in effect at time of the downgrade during the life of this agreement.

- 15.06 An employee who is permanently unable to perform work similar to that performed prior to his sickness shall be transferred to fill existing vacancies at the same class level, corresponding to his physical restriction and for which he possesses the qualifications, within the bargaining unit. Prior to his transfer, and according to business requirements, the possibility to accommodate the employee in the same department under the same manager will be considered.
- 15.07 An employee with ten (10) years or more of union service, who cannot be placed in accordance with 15.05 and 15.06, shall be assigned to a job corresponding to his physical restriction at the same class level or lower, by displacing shorter union service employees within the business unit. The employee shall receive a one (1) week familiarization period.

If unable to place the employee, he will be given appropriate work until he is placed on the next suitable opening, in another business unit, taking into account his qualifications, union service and physical restriction.

- 15.08 An employee with fifteen (15) years or more of continuous service, downgraded in accordance with article 15.07 ~~from~~ a class to which he has been assigned, will maintain the rate of pay in effect at time of downgrade during the life of this agreement.
- 15.09 Should suitable employment not be available, as indicated in paragraphs 15.05, 15.06 or 15.07 or should the employee be unable to meet the requirement of such employment, the designated third-level manager, as identified in paragraph 6.06.03, and the District Representative shall meet to discuss the pertinent data related to the problem, with an aim to attempt to retain and gainfully employ the individual concerned, before any action is taken by the Company.
- 15.10 The Company and the Union agree to establish, in each location, a Health and Safety Committee structured to conform with existing legislation.

In order to ensure contact with the Health Centre, a joint union-management committee will be set up. This committee will meet quarterly and, if necessary, at the request of either party. One of the objectives of this committee is to bring a better understanding of the needs and preoccupations of each party with regards to the practice of the Health Centre.

- 15.11 For reasons of safety, when an employee is assigned to perform work in an isolated area and where it may not be possible for him to request assistance, the Company agrees to set up proper surveillance in order to provide help and/or assistance as may be necessary.
- 15.12 The Company will provide to the district representative a copy of the Employer's accident reports and, if necessary, a copy of the temporary assignments.

- R 15.13 In the event that an employee is temporarily laid off immediately following an absence due to a work injury or an occupational sickness and as a result, this employee is not entitled to Employment Insurance Benefits, the Company will pay an allowance based on his continuous service at the date of layoff in accordance with the following schedule:

<u>Continuous service</u>	<u>Allowance</u>
1 year but less than 2 years	6 week
2 years but less than 3 years	7 weeks
3 years but less than 4 years	8 weeks
4 years but less than 5 years	9 weeks
5 years but less than 6 years	12 weeks
6 years but less than 7 years	13 weeks
7 years but less than 8 years	14 weeks
8 years but less than 9 years	15 weeks
9 years but less than 10 years	16 weeks
10 years but less than 11 years	20 weeks
11 years but less than 12 years	22 weeks
12 years but less than 13 years	24 weeks
13 years but less than 14 years	26 weeks
14 years but less than 15 years	28 weeks

Three (3) weeks additional pay for each full year of service thereafter.

The employee will receive a weekly amount equivalent to 60% of his regular weekly pay until total allowance is exhausted.

**N 15.14** The Company shall provide the following benefits for nine (9) months following the month of layoff, or for the duration of the layoff allowance payment, whichever is the most favourable, as long as laid off employees continue to contribute to those plans to which they are required to make contributions:

- Supplementary Hospital Plan
- Extended Health Care Plan
- Vision Care Plan
- Dental Plan
- Group Insurance Plan - Part I
- Group Insurance Plan - Part II
- Dependent Life Plan

**15.15** Employee Rehabilitation

The Company and the Union acknowledge their joint responsibility to ensure that employees who are disabled as a result of illness or injury are given every available opportunity to participate in rehabilitation programs, including rehabilitative employment.

In order to facilitate access to such programs, members of the Joint Rehabilitation Committee and appropriate resources in each location shall meet to identify rehabilitation opportunities.

The Committee shall determine the possibilities for rehabilitation in each location and provide assistance to employees to ensure a successful integration into the work environment. The Company will make every effort to facilitate access to rehabilitation which could involve modifications to the work schedule, the tools and/or the organization of work. However, such modifications must not be damaging for the health and safety of other workers. No privilege granted in this article can have the effect of giving an employee recall and layoff rights which he would not have had if he had been at work in regular conditions.



It is agreed that when opportunities for rehabilitation become apparent, the employee and/or his personal physician shall be advised of these opportunities. The employee and his physician shall then assess whether the employee should benefit from the opportunity.

If the employee and his physician decide to take advantage of the opportunity, the treating physician and/or the employee must consult the Health Centre of his location to discuss a rehabilitation program. The Health Centre representative shall meet with the members of the Joint Committee to identify rehabilitation opportunities and design a personalized progressive program.

If a rehabilitation program does not involve rehabilitative employment, the current conditions for continued STD or LTD shall be applicable. If a rehabilitation program involves rehabilitative employment, the employee will continue to draw Sickness and Accident (S&A) or Long Term Disability (LTD) Benefits, as the case may be. Earnings from such employment will be paid in addition to STD or LTD benefits up to a level equal to 100% of the base rate plus COLA which the employee would have earned had he been at work on a full-time basis. If income from all sources exceed such levels, then STD or LTD benefits will be reduced by the amount of income that exceed such 100% level.

When an employee on rehabilitation is at work, he will retain the rights and privileges that he would normally have as if he would be on his regular job. It is understood that these rights and privileges must not be contradictory to the objective and provisions of his personalized rehabilitation program.

An employee, on rehabilitation will have the right to a plant holiday, in accordance with article 28, so long as the plant holiday falls on a day when the employee would normally have been at work as per his personalized rehabilitation program.

In the event that an employee on rehabilitation takes his vacations, these vacations will be treated as if this employee was normally at work.

Those employees receiving LTD benefits and participating in a Rehabilitation Program which entails receipt of rehabilitation earnings from rehabilitative employment will accrue vacation in connection with their continuous service and rehabilitation earnings on the following basis:

Less than three (3) years service	4% of earnings from hours worked
Three (3) to ten (10) years service	6% of earnings from hours worked
Ten (10) to eighteen (18) years service	8% of earnings from hours worked
Eighteen (18) to twenty-eight (28) years service	10% of earnings from hours worked
Twenty-eight (28) years service and above	12% of earnings from hours worked

#### **ARTICLE 16 - UNINTERRUPTED PRODUCTION**

- 16.01 During the term of this Agreement and during the period when negotiations for a further Agreement are in progress, the Company agrees that there shall be no lockouts, and the Union agrees that there shall be no slowdown, strike or any other stoppage or interference with work which would cause any interruption in production.

#### **\* ARTICLE 17 - JOB EVALUATION**

- 17.01 The Union agrees that the classification of employees within the established classes for the various occupations will be in accordance with the Responsibility Evaluation Grid submitted by the Company during 2000 negotiations.

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- a) A copy of the Responsibility Evaluation Grid and all modifications will be supplied to the Union.
- b) The employee involved and the District Representative will review the job write-up with the immediate manager to ensure that all important duties are included, before submission to the Responsibility Evaluation Committee for evaluation.
- c) The Company will supply the Union with the same job write-up data which is submitted by supervision to the Responsibility Evaluation Committee, prior to the evaluation.
- d) The evaluation will be completed within sixty (60) working days following completion of the **job** description.
- e) When a job is re-evaluated, existing job rates shall continue in effect until the evaluation is completed. Any rate increase resulting from the evaluation shall be retroactive to the date of submission of the revised write-up to the Responsibility Evaluation Committee or from the date of the submission of a grievance, whichever is earlier.
- f) The Company agrees to advise the Union in writing, thirty (30) days in advance of any reduction in the class level of an existing job resulting from evaluation.
- g) The Company agrees to meet the Union to discuss any modifications to the Responsibility Evaluation Grid prior to their introduction.

\* See also article 6.

#### \* ARTICLE 18 - LEAVES **OF** ABSENCE

##### 18.01 Maternity

Maternity leave of absence shall be granted to employees subject to the following conditions:

##### **Prior** Notice

- a) The employee must notify the Company of her intention to proceed on maternity leave, in writing, at least three (3) weeks prior to the commencement of such leave.

This notice must be accompanied by a medical certificate attesting to the state of the pregnancy and the expected date of birth, The period of notice may be less than three (3) weeks in cases **of** emergency substantiated by a medical certificate.

##### Term **of** Leave

- b) **As** of the sixth (6th) week preceding the expected date of birth, the Company **may** request the pregnant employee who is still at work to produce a medical certificate attesting to the fact that she is fit to work.
- c) **If** the employee refuses or fails to supply the Company with the said certificate within eight (8) days, the Company may oblige her to take her maternity leave immediately by giving her a written notice to this effect.
- d) Maternity leave shall be granted for a period of eighteen (18) weeks or any other period provided by law.

- e) Extension of the leave of absence as covered in (d) may be granted for an additional period of up to thirteen (13) weeks on the advice of the Company Medical Department.

## **R Maternity leave allowance**

- f) Maternity leave allowance will only be paid to those employees who have continuous service of thirteen (13) weeks or more.
- g) An employee entitled to Maternity Leave Allowance (MLA) shall provide to the Company proof of application for Quebec Parental Insurance Plan. An employee who has provided a physician's certificate specifying the expected birth date shall receive M.L.A. commencing on the first day of such leave. During the first six (6) weeks of maternity leave, the M.L.A. will be the greater of 75% of the employee's weekly base rate less Quebec Parental Insurance Plan Benefits received by the employee, and an amount equal to the S&A benefit appropriate for the employee less Quebec Parental Insurance Plan Benefits received by the employee.

At the conclusion of the six (6) week period, so long as the employee has not provided medical evidence satisfactory to the Company supporting a prolonged period of health related absence, the employee who has provided proof that she is receiving Quebec Parental Insurance Plan benefits shall receive MLA at 75% of the employee's weekly base rate less Quebec Parental Insurance Plan Benefits received by the employee.

The maximum M.L.A. entitlement is fifteen (15) weeks. Payment of the allowance terminates after the employee ceases to qualify for Quebec Parental Insurance Plan Benefits.

The employee who is not entitled to receive Quebec Parental Insurance Plan benefits for all or a portion of the fifteen (15) weeks of maternity benefits, due to having been previously laid off by the Company shall be paid maternity leave allowance during Maternity Leave for up to fifteen (15) weeks at a rate equivalent to 75% of the employee's weekly base rate, less any Employment Insurance benefits received.

- h) The employee who, while employed by the Company, has received Quebec Parental Insurance Plan benefits in connection with maternity leave and who is subsequently laid off by the Company without having worked sufficient time to permit maximum entitlement to Employment Insurance benefits, shall be paid an amount equivalent to the difference between the remaining amount of Employment Insurance benefit payable in the 52 week Employment Insurance entitlement period, and the maximum amount of Employment Insurance benefit entitlement had the employee not collected Quebec Parental Insurance Plan benefits while on maternity leave, plus layoff allowance top up.

## **Return to work**

- i) The employee must be cleared by the Company Medical Department before starting work.
- j) When an employee is ready to return from a maternity leave of absence, reinstatement will be in accordance with the appropriate following procedures:
  - i) Employee with a planned maternity leave of absence of up to eighteen (18) full weeks, or any other period provided by law, will be reinstated in her former position with all rights to which she would have been entitled if she had continued to work.

- ii) If the employee's former position no longer exists upon her return to work she shall exercise her bumping rights as if she had been at work.
- k) After re-employment, the employee will be credited with her maternity leave of absence service prescribed by legislation as mentioned in d).
- l) An employee who fails to return to work at the end of her leave shall be considered as having resigned from the Company, effective her last day of work.

## 18.02 **Parental Leave**

### a) **Parental Leave for Childbirth**

Parental leave of absence shall be granted to employees subject to the following conditions:

- i) Applicable to parents of a newborn child. Leave shall not exceed fifty-two (52) weeks.
- ii) It will commence no earlier than the date of birth. Such leave shall terminate no later than 70 weeks after the date of birth.

### b) **Parental Leave for Adoption**

Parental leave of absence shall be granted to employees subject to the following conditions:

- i) Applicable to parents of an adopted child who is not of school age. Leave will not exceed fifty-two (52) weeks.
- ii) It is understood that the employee will furnish evidence of adoption. The parental leave is not available for the adoption of a child of the spouse.
- iii) It will commence no earlier than the date that the child comes into custody, care and control of the employee for the first time and must not terminate later than one (1) year from such date. However, in the event that the employee must be away from work, to travel outside of Quebec, in order to gain custody of the child, his adoption leave may commence at that time.

### c) **Prior Notice**

The employee must notify the Company of his intention and duration of parental leave in writing at least three (3) weeks prior to the commencement of such leave.

## **R** d) **Parental Leave Allowance for Childbirth**

- i) The following provisions apply to parental leaves, pursuant to article 18.02 a), for the period of such leave on or after April 16, 1997.
- ii) Parental leave allowance will only be paid to those employees who have continuous service of nine (9) months or more.
- iii) The employee who provides proof that he is receiving Quebec Parental Insurance Plan benefits shall be paid for up to ten (10) weeks parental leave allowance

equivalent to 75% of the employee's weekly base rate less Quebec Parental Insurance Plan benefits received by the employee. Payment of the allowance will cease after the employee ceases to qualify for Quebec Parental Insurance Plan Benefits.

- iv) The employee who is not entitled to receive Quebec Parental Insurance Plan benefits for all or a portion of the ten (10) weeks of parental benefits, due to having been previously laid off by the Company, shall be paid parental leave allowance during Parental Leave for up to ten (10) weeks at a rate equivalent to 75% of the employee's weekly base rate, less any Quebec Parental Insurance Plan benefits received.
- v) The employee who, while employed by the Company, has received Quebec Parental Insurance Plan benefits in connection with parental leave and who is subsequently laid off by the Company without having worked sufficient time to permit maximum entitlement to Employment Insurance benefits, shall be paid an amount equivalent to the difference between the remaining amount of Employment Insurance benefit payable in the 52 week Employment Insurance entitlement period, and the maximum amount of Employment Insurance benefit entitlement had the employee not collected Quebec Parental Insurance Plan benefits while on maternity and/or parental leave, plus layoff allowance top up.

R e) **Parental Leave Allowance for Adoption**

- i) Parental leave allowance will only be paid to those employees who have continuous service of nine (9) months or more.
- ii) The employee who provides proof that he is receiving Quebec Parental Insurance Plan benefits shall be paid for up to ten (10) weeks parental leave allowance equivalent to 75% of the employee's weekly base rate less Quebec Parental Insurance Plan benefits received by the employee. Payment of this allowance will cease after the employee ceases to qualify for Quebec Parental Insurance Plan Benefits.
- iii) The employee who is not entitled to receive Quebec Parental Insurance Plan benefits for all or a portion of the ten (10) weeks of parental benefits, due to having been previously laid off by the Company, shall be paid parental leave allowance during Parental Leave for up to ten (10) weeks at a rate equivalent to 75% of the employee's weekly base rate, less any Quebec Parental Insurance Plan benefits received.
- iv) The employee who, while employed by the Company, has received Quebec Parental Insurance Plan benefits in connection with parental leave and who is subsequently laid off by the Company without having worked sufficient time to permit maximum entitlement to Employment Insurance benefits, shall be paid an amount equivalent to the difference between the remaining amount of Employment Insurance benefit payable in the 52 week Employment Insurance entitlement period, and the maximum amount of Employment Insurance benefit entitlement had the employee not collected Quebec Parental Insurance Plan benefits while on maternity and/or parental leave, plus layoff allowance top up.
- v) In the instances described in ii) and iii) above, the Company shall pay during the adoption leave weeks exceeding ten (10) when no Quebec Parental Insurance Plan are being paid, up to five (5) additional weeks at 75% of the employee's weekly base rate.

f) **Return to work**

- i) If the parental leave is for a duration of eighteen (18) weeks or less, the employee will be reinstated in his former position with all rights to which he would have been entitled if he had continued to work, including credit for service.
- ii) If the leave is for more than eighteen **(18)** weeks, upon return, the employee will be assigned to a similar position or if the position does not exist, he will exercise his bumping rights in accordance with article 12. For the purpose of service accumulation, the employee will be credited with his parental leave of absence.
- iii) The employee who does not return to work at the end of his parental leave is presumed to have resigned effective his last day at work.

### **18.03 Jury duty or court attendance**

Leave of absence with pay shall be granted by the Company to employees summoned for jury or court attendance (not as plaintiffs, defendants or voluntary witnesses). Employees shall report for regular duties while temporarily excused from attendance at court.

### **18.04 Bereavement**

- i) When a death occurs in the immediate family of an employee and the employee attends the funeral, such employee shall, on request, be granted a leave of absence not to exceed five **(5)** consecutive regular working days during his standard Monday to Friday work schedule. An employee's immediate family shall be considered as husband, wife, spouse, son, daughter, mother, father, mother-in-law, father-in-law, sister, brother, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, grandchildren, foster parents, step-brother, step-sister, step-child, step-parents, child of current spouse and legal guardian. Other relatives residing with the employee shall also be considered as immediate family.

The Company will grant, in accordance with the above, a bereavement pay allowance, of up to a maximum of three **(3)** days during the employee's regular working schedule and restricted to the period from the date of death to the day immediately following the funeral inclusively.

- ii) In the event the employee is unable to attend the funeral of a member of his immediate family, as described in **18.04 i)**, and a memorial service is held, he shall be granted, on request, a one (1) day leave of absence with pay to attend the memorial service.
- iii) Extension to the leave of absence may be granted when an employee has difficult travel arrangements, long distances to travel, or **all** of the responsibility for funeral arrangements.
- iv) Where interment of a deceased member of an employee's immediate family is delayed, the employee may elect to take up to one (1) working day from his five **(5)** day bereavement leave entitlement to attend the interment.

### **18.05 Quarantine**

An employee required to be absent due to quarantine imposed by duly constituted health authorities shall be paid for such absence which shall be treated as absence due to personal sickness.

### **18.06 Special Leave**

An employee who must serve a period of incarceration as a result of being found guilty of an offence under the "Code de La Route" will be granted a leave of absence without pay of up to ninety (90) calendar days in order to serve the period of incarceration. An extension may be granted by the Company. Only one (1) such leave may be granted during the life of the agreement.

#### 18.07 Educational Leave of Absence

1. This paragraph allows an employee to take an authorized educational leave of absence without pay to further their knowledge of telecommunications or related technology, particularly as it applies to Nortel Networks Corporation operations.
2. Such leave shall be granted as deemed appropriate by the Company and taking into account production requirements.
3. To be eligible, **an** employee must have a minimum of two (2) years of continuous service and shall apply in writing stating the reasons for such a request, at least four (4) weeks prior to the commencement of such leave.
4. Normally only one (1) application per twelve-month period shall be granted.
5. The Company reserves the right to determine the number of leaves granted to each employee.
6. The duration of each leave of absence granted shall be to a maximum of twelve (12) months.
7. Employees who successfully complete their courses will be eligible under the Nortel Networks Tuition Refund, with the following exceptions:
  - Maximum of **\$3500** per year.
  - Employees will be reimbursed upon successful completion of courses.
8. Benefits
  - Employees who take **an** authorized educational leave of absence without pay will have access to the benefits available under the existing plan applicable to the authorized leave of absence without pay.
9. Return to work
  - Upon return to work, the Union service shall be credited immediately for the period of the educational leave of absence.
  - Upon return, the employee shall be assigned to **a** similar position or if the position does not exist, he shall exercise **his** bumping rights in accordance with article 12, 34 or 37.

#### 18.08 Absence for family matters (long term)

1. An employee credited with three (3) months of continuous service may be absent from work, without pay, for a period of up to twelve (12) weeks over a twelve (12) month period when **his** presence is required with his child, his spouse, the child of his spouse, **his** father, his mother, **a** brother, a sister or one of his grandparents, owing to a serious illness or a

serious accident. At the request of the Company, the employee must provide a document justifying the absence.

#### Return to work

2. At the end of the leave, the employee will be reinstated in his former position with all rights to which he would have been entitled if he had continued to work, including credit for service.
3. If the employee's former position no longer exists upon his return to work, he shall exercise his bumping rights as if he had been at work.
4. An employee who fails to return to work at the end of his leave of absence for family matters shall be considered as having resigned from the Company, effective, his last day work.

#### 18.09 Leave of absence without pay

1. An employee credited with three (3) months of continuous service may request a leave of absence without pay, for a period of up to twelve (12) weeks over a twelve (12) month period for any reason considered acceptable by the Company.
2. To be eligible, the employee must submit his application in writing to the Director, Manufacturing, stating the reasons for such a request at least four (4) weeks prior to the commencement of such leave. Such request will not be refused without valid reason.

#### Return to work

3. Upon return to work, the Union service shall be credited immediately for the period of the leave of absence.
4. Upon return, the employee shall be assigned to a similar position or if the position does not exist, he shall exercise his bumping rights in accordance with article 12, 34 or 37.
5. An employee who fails to return to work at the end of his leave of absence without pay matters shall be considered as having resigned from the Company, effective his last day of work.

\* See also letters of intent # 5, 10 and 15.

### **ARTICLE 19 - VALIDITY**

**19.01** If for any reason any portion of this Agreement shall be held to be void and unlawful, it shall not affect the validity of the rest of the Agreement.

**19.02** The Company agrees that existing general privileges not included in this Agreement will not be withdrawn during the life of this Agreement without due and sufficient cause and the Company undertakes to advise the Union of any contemplated changes.



## **ARTICLE 20 - DEDUCTION OF REGULAR DUES**

- R** 20.01 During the term of this Agreement, the Company will deduct the regular Union dues from the wages of all employees covered by this Agreement in installments.
- The Company shall also deduct an amount of \$17.00 per month from the salary paid during a Special Leave of Absence prior to pension.
- 20.02 When sufficient pay is not available for all other deductions during the period when deductions are made, no deductions shall be made for Union dues.
- 20.03 The Union agrees to keep the Company harmless from any claims against it by an employee, which arise out of deduction under this Article.
- 20.04 Dues deduction shall be suspended during the period of an employee's leave of absence without pay. When the employee is returned to the payroll, deduction of Union dues shall be automatically resumed.
- 20.05 Amounts deducted for dues shall be remitted to the Secretary Treasurer of the Canadian Union of Communication Workers as soon as possible after the end of each fiscal month. Each remittance shall be accompanied by a statement showing the amounts of the deductions for each employee.
- 20.06 Any change in the amount of monthly Union dues will be certified to the Company by the Secretary-Treasurer of the Canadian Union of Communication Workers. A certification in a form acceptable to the Company which changes the dues shall become effective thirty (30) days following the date the Company receives such certification.
- 20.07** Deduction of dues from the employee's paycheque shall commence upon completion of the first full week of employment with the Company.

## **ARTICLE 21 - WORK PERFORMED BY SUPERVISORS**

- R** 21.01 The Company agrees that employees excluded from this bargaining unit will not normally perform work ordinarily assigned to hourly employees, except for instructional or experimental purposes, or when competent non-supervisory employees are not available, or in cases when abnormal conditions arise.

## **ARTICLE 22 - DISCIPLINARY ACTION**

- 22.01 No employee covered by this Agreement shall be disciplined in any manner, demoted, suspended or discharged except for just cause.
- 22.02** An employee who is being suspended or discharged may, if he so requests, have his Union Representative present as an observer, during the disciplinary interview. The Union Representative may ask for clarification of Company statements and facts related to the discipline.
- R** 22.03 A formal or final warning is in effect for a period of fifteen (12) months.
- Provided an employee does not commit any other offence during the warning period, when a warning expires and upon request from the employee, the Company shall consider the possibility of removing the warning from the employee's file. To do so, the Company shall consider,

amongst other things, the nature of the warning. The Company will not refuse such a request without valid reason.

For the purposes of this article, the excess of the first month of any non-worked period exceeding one calendar month will be excluded from the period during which a warning is in effect.

- 22.04 a) The Company agrees to submit to the Union a copy of the formal or final warning within three (3) days following the issuing of the warning. Specific reasons for the warning will be included, e.g. frequency and dates of tardiness, etc.
- b) With prevention as our objective, the Company agrees to furnish the Union with a copy of the counselling.
- 22.05 The Company agrees to notify the Union by telephone, to be confirmed by letter, of those cases in which an employee is being suspended or separated from the Company. Specific reasons for the suspension or separation will be included in identifiable brief details as shown under paragraph 22.04 a).

### \*ARTICLE 23 - HOURS OF WORK

23.01 The regular hours of work for all operating locations shall be forty (40) hours per week.

23.01.01 The standard hours of work shall be as follows:

Regular Shift Operations

8 hours - 1/2 hour lunch

Two Shift Operations

Day Shift: 8 hours - 1/2 hour lunch

Swing Shift: 7 1/2 hours - 1/2 hour lunch

Multiple Shift Operations

1<sup>st</sup> Shift- 8 hours - 1/2 hour lunch

2<sup>nd</sup> Shift - 7 1/2 hours - 1/2 hour lunch

3<sup>rd</sup> Shift- 7 1/2 hours - 1/2 hour lunch

Continuous Processes

1<sup>st</sup> Shift- 8 hours - no lunch hour

2<sup>nd</sup> Shift - 8 hours - no lunch hour

3<sup>rd</sup> Shift- 8 hours - no lunch hour

Night Shift

8 hours - 1/2 hour lunch

23.01.02 The Company reserves the right to change from time to time the starting and stopping time of any regular shift; it is however agreed to consult with the Union before putting **any** such changes into effect.

23.01.03 When extensive workforce reductions would otherwise be required, it may be found desirable to reduce the scheduled hours of work below the standard weekly work schedule to minimize such workforce reductions. Any action taken in this respect shall be the subject of negotiations between the Company and the Union. Negotiations thereon shall take place when requested by either party to this

Agreement and in the event of such negotiations, the new schedule proposed by the Company may be placed in effect pending Agreement between the parties.

- 23.01.04 a) Except in the case of emergency, the Company will give its employees a forty-eight (48) hour notice for all **shift** changes.
- b) Overtime hours leading to a **shift** change will be governed by article 24.02.

\* See also letter of intent # 19.

## ARTICLE 24 - OVERTIME GENERAL PROVISIONS

- 24.01 Employees shall receive regular holiday pay in addition to double time for all hours worked on a plant holiday.
- 24.02 Except in the case of emergency, employees may request to be excused from working overtime providing such employees have a legitimate reason for being excused. Such legitimate reasons shall not be unreasonably denied and the Company agrees that, except in the case of emergency, employees who are required to work overtime, shall be **so** advised at least twenty-four (24) hours prior to the start of the overtime to be worked.

When possible the Company will schedule overtime on a voluntary basis. Overtime in excess of eight (8) hours per week is voluntary. Saturday overtime in any one week is voluntary for any employee who has already worked six (6) hours or more overtime in that week; this is not to be construed as circumventing the employee's right to request consideration to be excused from working overtime.

- a) The reference to voluntary overtime in excess of eight (8) hours per week applies to work performed on Saturday only.
- b) Overtime worked during the regular work week is understood to be limited to six (6) hours per week, i.e. three (3) overtime hours on any two (2) regular work days.
- c) In the case of overtime required on continuous process operations, the number of overtime hours on any shift will be four (4) hours.

24.03 Every effort will be made to avoid the necessity for working overtime on Plant Holidays and employees will not be obligated to work on such days. When it is considered necessary to schedule holiday work, the Union will be notified as soon as possible. **This** does not apply to employees whose normal schedule requires them to work on a holiday.

24.04 The opportunity for overtime work shall be offered equally to those employees normally engaged on the work involved insofar as it is practical.

24.05 In the case of a grievance, the Union Representative shall have access to the records in respect of overtime hours.

In the event that an inequity is discovered, the grieving employee will be given the opportunity to work the lost overtime hours within a period of six (6) weeks. This six (6) week period will commence upon receipt of a written grievance at the second step. In the case where this **is** not possible, the employee will be compensated for hours lost at the applicable rate. If there is an

agreement at the first step of the grievance, if the employee is once again overseen within a period of six (6) weeks, he will be compensated for the lost hours at the applicable rate.

Should it be that because the employee is normally required to work overtime during that same period of time, and as a consequence, the make-up overtime cannot be offered to the individual, then the overtime lost will be paid to the individual.

If a similar oversight occurs again, with any employee, within a period of three (3) months, within the same first-level managers' organization, the employee shall be compensated for hours lost at the applicable rate as soon as the inequity is discovered.

**24.06** When by mutual agreement, working conditions are changed so that there shall be an extended shutdown of operations in conjunction with a plant holiday or for some other special reason, it is understood and agreed that all time worked to provide for loss of production, as a result of such shutdown, shall be at straight time rates and that no overtime shall be paid irrespective of any agreement made as contained in all other paragraphs of this Article. The signature of one of the officers of the Union and the designated management representative on the Company notice announcing such change, shall constitute agreement in accordance with the above.

**24.07** The Company agrees that employees will not be required to take a lunch break prior to the commencement of overtime following completion of their regular shift.

This agreement is dependent on the requirements that uniformity of application must exist in order to enable the Company to maintain an efficient operation. Should, for any reasons, employees demand a lunch break in a specific department, then it will be necessary to terminate this agreement as it applies to such department.

**24.08** In the case where scheduled overtime is cancelled, and subsequently another employee, who does not normally work on the specific job, is requested to carry out the overtime work, then the **lost** overtime shall be paid to the employee who normally would have performed the work.

Such payment shall be made within the pay period following the discovery of the inequity.

#### \* **ARTICLE 25 - OVERTIME**

**25.01** The number of straight time hours in any one shift shall not exceed eight (8) hours.

**25.02** Overtime shall be paid for all time worked in excess of the standard hours of the assigned shift (not including overtime hours) in any twenty-four (24) hours, Monday to Saturday inclusive.

Overtime will be paid for all hours worked in excess of the standard hours of the assigned shift during the interval of time from 7:00 a.m., 7:30 a.m. or 8:00 a.m. depending on the start of the shift of any one day to the end of the third shift of the same day. An employee who is required to report to work prior to the start of his regular shift, will be given the opportunity to work the full hours of his regular shift.

**25.03** Employees shall be paid for overtime:

- a) One and one-half times their hourly rate for hours worked in excess of the standard hours of their assigned shift but not in excess of twelve (12) hours on any one shift.
- b) Twice their hourly rate for hours worked in excess of twelve (12) hours on any one shift.

- c) One and one-half times their hourly rate for all time worked (double **(2)** time after **8** hours) in the twenty-four **(24)** hours of Saturday or Sunday.
  - i) For first and second **shift** employees, Saturday will be from midnight Friday to midnight Saturday.
  - ii) For third shift employees whose work-week commences on Sunday night, Saturday will be from 11:00 p.m., 11:30 p.m. or midnight Friday to 11:00 p.m., 11:30 p.m. or midnight Saturday, depending on the shift start time.
- d) Twice their hourly rate for all time worked in the twenty-four **(24)** hours of Sunday provided at least four **(4)** hours of overtime have been worked during the same week, including hours worked on Sunday.
  - i) For first and second **shift** employees, Sunday will be from midnight Saturday to midnight Sunday.
  - ii) For third shift employees whose work-week commences on Sunday night, Sunday will be **from** 11:00 p.m., 11:30 p.m. or midnight Sunday, depending on the shift start time.

**25.04** Except in cases of emergency, an employee will not be required to work in excess of sixteen (16) hours per day.

\* See also letter of intent #19.

#### **ARTICLE 26 - OFFSHIFT DIFFERENTIAL**

**26.01** The offshift differential will be \$1.18 per hour from date of ratification. Employees working on second or third **shift** operations shall receive offshift differential for hours worked.

#### **\* ARTICLE 27 - MINIMUM COMPENSATION**

**27.01** When an employee is called during his offtime to report for a work assignment outside his standard daily or weekly work schedule, it shall be considered a "called-in" emergency. However, when an employee is requested to remain late on a day on which he has reported for work or, when prior to leaving work, an employee is requested to report for work on a subsequent day at either his standard or non-standard starting time, it shall not be considered a "called-in" emergency.

**27.02** When **an** employee is required to make extra trips from his residence to place of work and returns as a result of a "called-in" emergency, he shall be paid for two **(2)** hours' travelling time at straight time rates and shall receive overtime for any time worked.

When an employee reports to work on a "called-in" emergency, he shall receive overtime for any time worked, or a minimum of four **(4)** hours' pay at the employee's base rate whichever is greater.

**27.03** When the "called-in" emergency does not require extra trips but does involve reporting earlier than the starting time of his standard daily work schedule, one (1) hour's travelling time shall be paid and the employee shall receive overtime for time worked prior to his standard starting time.

**27.04** Any employee who reports to work as usual and is sent home because no work is available shall be paid the equivalent of four **(4)** hours' work at his daywork rate provided such lack of work is not caused by power failure or any other event beyond the control of the Company.

- 27.05 Any employee required to work overtime on annual inventory will be guaranteed four (4) continuous hours of overtime work.
- 27.06 When an employee is required by his or her manager to be on call, the employee will receive stand-by pay equivalent to one (1) hour of salary per quarter hour (excluding COLA). On-call status refers to the period of time an employee is ready and available, at the Company's specific request, to come to work outside of his regular working hours.
- 27.07 Whenever a major snowstorm occurs and the Company is unable to operate in a normal manner because a limited number of employees have reported for work and there is no power failure, employees who report for their scheduled shift will be assigned, at the discretion of the Company, to any available work at their regular rate of pay for the balance of their shift. If the Company does not assign them to work but sends them home, they shall be paid four (4) hours of their regular rate of pay.

\* See also letter of intent # 12.

#### **ARTICLE 28 - PLANT HOLIDAYS**

28.01 Employees who are not required to work on the undernoted Plant Holidays will be paid for eight (8) hours at their hourly rate, provided that these holidays are officially observed on a day on which an employee would normally work, and provided that the employee receives pay for the working day preceding or the working day following a holiday. This shall not apply where an employee receives pay from the Company for such day for any other reason.

R 28.02 The Company shall observe fourteen (14) statutory holidays each year. The dates these holidays will be observed are published in the Nortel Calendar available on the intranet website; a copy of the calendar will be provided to the Union as soon as it becomes available.

In the event that major changes in the Nortel Statutory Holiday calendar, the Company will inform the Union and both parties may agree on a specific calendar.

28.03 When any of the above plant holidays falls on a Saturday or a Sunday, a compensating day off will be granted on the first succeeding work day.

28.04 When a plant holiday falls on an employee's day off on any day Monday to Friday inclusive, such employee shall either receive an extra day off with pay or pay in lieu thereof at the discretion of the Company. Plant Holidays falling on Saturday shall be treated as ordinary days for pay purposes.

28.05 When a plant holiday occurs on a regular working day during an employee's vacation, the employee shall be entitled to one extra day as vacation with pay.

28.06 In order to determine plant holiday pay treatment, the day on which a shift starts shall govern all the hours of that shift.

**\* ARTICLE 29 - VACATION**

**29.01** Employees will become eligible for vacation with pay each year based on their continuous service with the Company as of June 30<sup>th</sup> of the current year, as follows:

One (1) full working month but less than	two (2) full working months	1 day
Two (2) months	three (3)	2 days
Three (3)	four (4)	3
Four (4)	five (5)	4
Five (5)	six (6)	5
Six (6)	seven (7)	6
Seven (7)	eight (8)	7
Eight (8)	nine (9)	8
Nine (9)	ten (10)	9
Ten (10)	twelve (12)	10

**29.02** Vacation pay, under this section, for employees with less than one (1) year of continuous service, shall be computed on the basis of eight (8) hours at the employee's rate for each day of vacation.

**R 29.03** Employee's rate in effect on the eighth (8<sup>th</sup>) Friday prior to the Standard Vacation Period (May 25 in 2007, May 23 in 2008, May 22 in 2009, May 28 in 2010 and May 27 in 2011) shall be used when employees with less than one (1) year of service take their vacation on or after July 1<sup>st</sup> or their rate in effect four (4) weeks prior to the actual vacation period where employees take their vacation prior to July 1<sup>st</sup>.

<b>29.04</b> After 3 years of continuous service but less than 10 years service	- three (3) wks
After 10 years of continuous service but less than 18	- four (4) wks
After 18 years of continuous service but less than 28	- five (5) wks
After 28 years of continuous service	- six (6) weeks.

**29.04.01** Employees who complete service of: three (3) years, ten (10) years, eighteen (18) years and twenty-eight (28) years after June 30<sup>th</sup> in the calendar year shall be entitled to vacation in accordance with paragraph 29.04.

**29.05** When an employee has been absent without pay for an accumulated period in excess of sixty (60) days, his vacation shall be reduced in accordance with the following table for each thirty (30) days of absence in excess of sixty (60) days:

<u>Continuous Service</u>	<u>Reduction in Vacation Credit</u>
Twelve (12) months but less than three (3) years	1 day
Three (3) years but less than ten (10) years	1-1/2 days
Ten (10) years but less than eighteen (18) years	2 days
Eighteen (18) years but less than twenty-eight (28) years	2-1/2 days
Twenty-eight (28) years and over	3 days

29.06 Former employees who are laid off and recalled during the vacation year shall have their vacation entitlement calculated, as per letter of understanding # 17.

However, if the accumulated vacation credits from their return to work are less than those which the employees would be entitled to, according to continuous service as at June 30<sup>th</sup> of the reference year, such employees will be given the opportunity to take the difference as time off without pay.

29.07 When a weekly or monthly rated employee is transferred to an hourly rate, the vacation period shall be based on his status as of June 30<sup>th</sup> in the current year,

29.08 The weekly rate of pay for vacation for employees shall be computed as follows:

R 29.08.01 For employees taking their vacation on or after July 1<sup>st</sup>, pay shall be based on the employee's average weekly earnings for the thirteen (13) weeks ending May 25 in 2007, May 24 in 2008, May 23 in 2009, May 28 in 2010 and May 27 in 2011.

29.08.02 For employees taking their vacation prior to July 1<sup>st</sup>, the pay shall be based on the employee's average weekly earnings for the thirteen (13) weeks ending on the fourth Friday prior to their vacation period.

29.08.03 The Company agrees to maintain the existing practice to the effect that short term disability benefits at the rate of 66-2/3% are built up to the equivalent of 8 hours times base rate for each day of such benefits before computing average weekly earnings.

The same treatment will be applied for short-term disability employees at the rate of 90% and those who receive benefits in accordance with the Act respecting industrial accidents and occupational diseases (W.C.B.).

29.09 The last two weeks that fall completely in July shall be considered as the Standard Vacation Period during which the plant will be shut down insofar as possible, but wherever practical, the Company will provide work for those employees who are not eligible for vacation under this plan.

29.09.01 Wherever practical, vacations will be given during the last two (2) weeks in July and the first two (2) weeks in August. The Company reserves the right to select employees from those eligible for vacation to work during this period, such employees will take their vacation at such other time as may be arranged. In circumstances other than emergency, when an employee is required to take his vacation outside the Standard Vacation Period, he shall be notified at least ninety (90) days prior to the commencement of the Standard Vacation Period.

29.09.02 Taking into account the requirements of the operations, these employees may take three (3) consecutive weeks for vacation.

29.09.03 Employees entitled to more than two (2) weeks of vacation in the current year may be permitted to take such additional weeks of vacation in the succeeding year, provided such action does not interfere with the Company's operations. Any such delayed vacation must be completed not later than May 31<sup>st</sup> of such succeeding year.

29.09.04 To facilitate the planning of vacation, the Company will post a vacation schedule in each of the second and fourth quarters.

29.09.05



29.10 Vacation allowance to employees on termination of service

Employees whose service is terminated, except in the case of discharged employees, will receive their accrued vacation pay with C.O.L.A. under the Company's plan at time of termination of service.

**R** However, when an employee proceeds on vacation immediately prior to pension, but after the following dates, pay shall be based on the employee's average weekly earnings for the thirteen (13) weeks ending May 25 in 2007, May 23 in 2008, May 22 in 2009, May 28 in 2010 and May 27 in 2011.

\* See also letters of intent # 10 and 17.

**\* ARTICLE 30 - PENSION PLAN AND OTHER BENEFITS**

30.01 The Company will provide a Pension Plan and Other Benefits as fully described in the Pension/Benefits Appendix to this Agreement.

30.02 The Company agrees that, during the life of the current Agreement, there will be no reduction in the benefits provided by certain Company-wide programs as referred to in paragraph 12 of the Pension/Benefits Appendix to this Agreement.

\* See also letter of agreement # 15.

**ARTICLE 31 - PRODUCTION STANDARDS**

31.01 When an employee fails to meet the output rates established in new or revised production standards, the Company practice of adjusting staff and re-examining lay-out, methods, materials and other related factors will be followed in an attempt to correct the problem. Should the employee continue to be unable to meet the required output, the Company will arrange a meeting with the Union Representative to discuss the pertinent data related to the problem before any further action is taken by the Company.

**ARTICLE 32 - COST OF LIVING ALLOWANCE**

**R** 32.01 The Statistics Canada February 2007 Consumer Price Index (1992 base) published in March 2007 will be the base for all calculations of the cost of living allowance.

**R** 32.02 The amount of the Cost of Living Allowance will be calculated on changes, upward or downward, in the Consumer Price Index (1992). This calculation will be in accordance with the following schedule:

<b>CP index for month of</b>	<b>Published and payable in the first pay period thereafter</b>	<b>Cost of Living Allowance Formula</b>
2007 May August November	June September December	0,01 for each <b>0.064</b> change in the CPI (1992 base)
2008 February <b>May</b> August November	March June September December	<b>0,01</b> for each <b>0.064</b> change in the CPI (1992 base)
2009 February <b>May</b> August November	March June September December	0,01 for each <b>0.064</b> change in the CPI (1992 base)
2010 February <b>May</b> August November	March June September December	0,01 for each <b>0.064</b> change in the CPI (1992 base)
2011 February <b>May</b> August November	March June September December	<b>0,01</b> for each <b>0.064</b> change in the CPI (1992 base)
2012 February	March	0,01 <del>for</del> each <b>0.064</b> change in the CPI (1992 base)

The adjusted Cost of Living Allowance will be paid from the beginning **of** the pay period following publication **of** the index.

In no event will a decline in the Consumer Price Index (1992) below the base figure published in March 2007 result in a reduction in the negotiated wage scales.

Furthermore, no change, retroactive *or* otherwise, will be made due to any revision in any published StatisticsCanada Consumer Price Index figures.

R 32.03 The cost of living allowance payable under the prior agreement has been folded into all wage schedules as follow:

- Effective Ratification date, \$0,75 **is** folded into all schedule rates and the remaining \$0,20 per hour shall continue to be paid in addition **to** wage rates.

- R 32.04 Continuation of the allowance is dependent upon the availability of the official monthly Statistics Canada Consumer Price Index (1992 base) calculated on the same basis and in the same form as that published in March 2007.
- 32.05 Employees shall receive Cost of Living Allowance for all hours worked. The following are considered as worked hours:
- Straight time hours worked
  - Overtime hours actually worked (excluding overtime allowance hours)
  - Plant Holidays
  - Vacation Hours paid for
  - Bereavement time paid for
  - Jury Duty or Court Attendance time paid for.
- 32.06 a) The "average weekly earnings" referred to in Article 29 "Vacations", clause 29.08 of the Collective Agreement will not include cost of living allowance.
- b) Employees will receive vacation pay based on their "average weekly earnings" as defined in clauses 29.08.01 and 29.08.02 plus, for each week of vacation, forty (40) hours times the cost of living allowance in effect at the time they take their vacation.

### **ARTICLE 33 - WAGE ADMINISTRATION PLAN**

#### **33.01 Hiring Rate**

- 33.01.01 A newly hired employee will be started at the probationary rate for the assigned class or classification.
- 33.01.02 After having worked for eighteen (18) months, the employee will be rerated to the class rate.

#### **33.02 Rerating after upgrading**

- 33.02.01 **An** employee who is upgraded will be placed on the class rate of the new job effective no later than one (1) month after the successful applicants are published, whether assigned to the **job** or not.

In the case where an employee with less Union service is promoted first, the employee will see his rate increased to the class of his new **job** and this will be taking effect the same date as the employee with less service.

In the case where an employee is assigned to that **job** on a temporary assignment when the successful applicants are posted, the promoted employee will see his rate increased at the class of his new **job**, and this will take effect the date the successful applicants are published.

- 33.02.02 An employee upgraded to fill a temporary vacancy, caused through vacation, emergency requirements, or temporary fluctuations in workload, will be rerated to the class rate of the new job, effective at the beginning of the payroll period immediately subsequent to the date of such temporary assignment to the higher class

or classification. (When the temporary assignment is completed, the employee will be downgraded in accordance with paragraph 33.03.02.)

**33.02.03** An employee reinstated or upgraded to a former class or classification will be rerated to the class rate of the higher class or classification, effective at the beginning of the payroll period immediately subsequent to the date of reinstatement.

### **33.03 Rate change after downgrading**

**33.03.01** When an employee is downgraded, he will be derated to the class rate **of** the lower class or classification at the beginning of the payroll period one month after the date of downgrading.

**33.03.02** An employee downgraded following a temporary assignment will be derated to the class rate **of** his former class or classification at the beginning of the payroll period immediately subsequent to the date of downgrading.

## **\* ARTICLE 34 - TECHNICIANS**

### **34.00 General purpose**

The purpose of this article is to complete and clarify specific working conditions for technicians in electronics and should not limit or lessen any of the articles in the collective agreement concerning this particular group.

### **34.01 Technicians**

Technicians are classified in one (1) category:

#### **34.01.01 Technicians in Electronics**

- a) **Test Technicians**
- b) **Technicians off production**

This category groups the jobs of team leader, technician-instructor, technician-manufacturing information systems integration, technician-new product introduction, technician-customer network integration and automated systems coordinator.

The qualification profiles of these jobs will be developed in consultation with the Union.

### **34.02 Access to classification**

#### **34.02.01 Access**

Access to the classification **of** technician in electronics will be limited to candidates **who** possess a D.E.C. (Diplôme d'Études Collégiales) in electronics or in an appropriate discipline or an equivalence as defined by the Ministry of Education, and who successfully pass the entrance test for the classification. The results will remain valid and kept on file for as long as the test remains unchanged. The reason for such changes will be discussed with the Union.

### 34.02.02 Notices for tests

The entrance test for technicians shall be made accessible to those who submit a request to the Human Resources Department. The Company shall evaluate the request before making the test available. The Company shall limit the test to once every six months.

## 34.03 Promotion

### 34.03.01 Job Posting

#### Test Technicians

- a) In order to draw up a list of candidates, the Company will post career development notices at the beginning of each quarter in all locations of the bargaining unit for two (2) weeks.
- b) Notices of vacancies will be posted in all locations of the bargaining unit for three (3) working days.
- c) Candidates may withdraw their application at any time except when selection of candidates is in process.
- d) In case of surplus, candidates may complete the career development notice.
- e) When a new product line is added (excluding development for an existing product), a notice will be posted in all locations of the bargaining unit for a period of five (5) days to give technicians the opportunity to apply for the new product line. This should be for a product line that is not related to an existing product line. The Company shall consult with the Union before implementing the change.

#### Technicians off production

- f) The Company shall post notices of vacancies and backfill openings. The notices will be posted in all locations of the bargaining unit for five (5) working days.

**34.03.02** A backfill opening which is to be filled by the reinstatement of an employee to his former job, from which he was downgraded due to lack of work or per paragraph 34.07 b), need not be posted.

**34.03.03** A vacancy or a backfill opening in the group of Test Technicians which is to be filled by a technician returning to the bargaining unit within one (1) year shall not be posted, providing there is no technician with more Union service on the recall list.

### 34.03.04 Selection

#### Test Technicians

- a) Before making a selection, the manager will favor internal movements within the product line in order of Union service. To achieve this, he will consider the individual development objectives of the employees of the product line. To this

effect, the employee, who will have requested of his manager, will have an orientation meeting.

Selection to fill a vacancy shall be done on the basis of Union service among applicants whose names still appear on the list at the time of selection.

However, the number of candidates (at least one) transferred from a position may be limited for each vacancy according to operational requirements while respecting, as much as possible, technicians' request for career development. In case of disagreement, the technicians' working committee will submit a recommendation to the Director, Manufacturing.

### **Technicians off production**

- b) Selection to fill a vacancy and a backfill opening shall be done on the basis of ability, skill, experience (excluding experience acquired on temporary assignments) and Union service and according to paragraph 34.02.01. When the first three (3) factors are relatively equal, Union service shall prevail. The required qualifications must be relevant and in relation with the job. When evaluating the employees' qualifications in connection with normal job requirements, the Company shall exercise its judgement in good faith and objectively. Candidates who possess the qualifications will be considered before hiring from outside.

Upon request, the applicants not selected may obtain the reasons for not being chosen from the manager having the vacant position.

In the event the Company must hire additional personnel to fill a vacancy at class C, the Company shall consider providing interested candidates with the opportunity to work on a probationary basis.

The process for evaluating the candidates' qualifications shall be subject to consultation between the Company and the district representative.

### **34.03.05 - Access to the position of Test Technicians**

The junior Technicians shall access the title of Test Technicians after a period of twenty-four (24) months' service as a Technician.

### **34.04 Academic Development**

Employees can take advantage of an educational leave of absence without pay to further their knowledge of telecommunications or related technology as per paragraph 18.07.

### **34.05 Professional Development Advisory Board**

The parties agree that training and development are among the key elements of a motivated, qualified and flexible manpower. In order to evaluate the interest level and feasibility of various joined projects and initiatives, an advisory board will be created. It will be comprised of members appointed by both parties and will meet every two (2) months or at the request of either party. The main purpose of this committee will be to review the actual situation, formulate changes and make recommendations to the Director, Manufacturing.

The scope of **this** board could include, among others:

- The evaluation of the need to implement technical projects involving engineering;
- The proposal of general directions for professional training and development activities;
- The identification of internal development activities such as participation to customers' visits;
- The evaluation of the technicians' working aids.

#### 34.06 Definitions

For the application of article **34**, the following is a clarification of terms used:

Vacancy:

Is defined as the primary opening for any job.

Backfill opening:

Is defined as the opening created as a result of a selection for any vacancy.

Junior Technician:

Technician not having accumulated a period of twenty-four (**24**) months working as a Technician.

Manufacturing processes:

"In circuit"; functional/shelves & bays; burn-in; systems.

#### 34.07 Effect of lack of work

The Company agrees that in the event of lack of work, the following conditions will apply to affected employees:

Technicians off production

- a) Employees having the least Union service shall be selected for surplus on the analysis number assigned.
- b) Surplus technicians shall be transferred laterally if they are qualified to fill any existing backfill vacancies.
- c) Surplus Technicians will have the right to displace a Technician off production having less Union service on a job for which he is qualified or a Test Technician with less Union service.
- d) A Technician - new product introduction may not retain his position for more than one year if a Test Technician with more Union service has been laid off. In this case, the Technician - new product introduction will be laid off and the laid off employee could be recalled.

Test Technicians

- e) Employees having the least Union service will be declared surplus within their product line, as defined in the career development form.
- f) Surplus employees shall be transferred laterally to fill primary vacancies unless a career development applicant with more Union service fills the vacancy.

Surplus employees shall be transferred laterally to fill secondary vacancies unless a career development applicant from the affected product line fills the vacancy.

Surplus employees will have the right, through Union service, to displace the Technician having the least Union service, unless a career development applicant with more Union service and from the affected product line exercises this right in his place.

- g) A technician about to be laid ~~off~~ shall displace a technician off production having less Union service if he is qualified.
- h) A technician about to be laid off could fill a vacancy at class 1, by Union service, or a higher class, if he is qualified. If there are no such vacancies, the technician will be assigned to a class 3 job for which he possesses the qualifications, or to a class 2 job if qualified, or to a class 1 job, by displacing an employee with less Union service.
  - i) Should he fail to perform the function, the technician shall continue to exercise his bumping rights in line with article 12.
  - j) A technician who has been promoted outside of the technician ranks but within the bargaining unit and who is later declared surplus, will have the right to displace into the technician ranks at his former class or lower, as per the established bumping procedures.
  - k) A technician who fills a vacancy outside of the bargaining unit and returns to the bargaining unit less than one (1) year after his departure, shall fill, if applicable, an opening according to the provisions of this article. Union service accumulated outside of the unit will be credited to the employee.

#### 34.08 **Loans**

Employees having the most Union service may be loaned on a rotation basis to another product line for less than a month or for a temporary assignment to replace an employee on leave of absence (by favouring the list for Career Development).

#### 34.09 **Special projects**

Employees having the most Union service may be selected on a rotation basis for special projects in the department concerned.

#### 34.10 **Training**

In order to maintain their technical skills, technicians will be required to complete the training to which they will be assigned. The duration and content of training programs will be determined based on operating requirements and will be reviewed as required. **An** update of the Training programs will be given at advisory board meetings.

Various courses will be offered on a regular basis for all shifts.

Technicians who did not have the opportunity to complete the training program having the objective of updating the technical skills of technicians hired before 1996 will have access to the career development lists. To achieve this and in order to validate their technical knowledge, a meeting will be organized and a development plan will be established. He will obtain the position once he possesses the required technical skills to meet all the requirements of the new product line position.



The Company agrees to maintain a designated area where literature of an appropriate technical nature will be available to technicians.

#### 34.11 **Information**

The Company will inform technicians of business developments (new products, job creation, transfers, etc.) in order that they may plan their career development.

\* See also letters of intent # 6, 7, 13 and 26.

### **ARTICLE 35 - WAGE ADMINISTRATION PLAN APPRENTICES A1 AND A2 - MONTREAL AREA**

- 35.01 Apprentices AI and A2 will commence at the rate to be determined by means of entrance qualifying exams administered by an independent source and will advance on a progression schedule, (defined in article 39). Progression through the classes will take place by means of qualifying exams (practical and theoretical).
- 35.01.01 **An** employee selected to fill a trade position who is classified as **an** apprentice, AI or A2, will maintain his rate of pay if that rate is higher than the rate for the assigned class as per 35.01.
- 35.02 A new employee who passes the qualifying exams for a class A3 level job for which he applies, will start at class A1. After 2,000 hours, he will be reclassified as **A2** and after 4000 hours, he will be reclassified at class A3, if he possesses the licences, or when he possesses them.
- 35.03 Apprentices A1 and **A2** who have reached a progression step shall remain at their current class level until they have passed the qualifying exams for the next class level as outlined in the job description for their trade.
- 35.04 Apprentices AI and A2 who have passed their qualifying exams as in paragraph 35.03 above, will be rerated to the appropriate trades classification retroactively to the date of their reaching the progression step providing such qualifying exams are passed under normal circumstances within three (3) months of said date.
- 35.05 Apprentices AI and **A2** who have been at a progression step rate for three (3) months and have failed the qualifying exams, as outlined in paragraph 35.03 above, shall be granted a three (3) month extension in order to pass the qualifying exams.

**An** extension could be given to an employee who, for reasons out of his control, cannot meet the delays prescribed.

Apprentices AI and **A2** who pass the qualifying exams during the extension period shall be rerated to the appropriate trades classification retroactive to the start of their extension period.

Failure to pass the qualifying exams during the extension period could result in removal of these employees from the apprentice AI or A2 category and these employees could either be relieved or transferred to a non-trade assignment if vacancies are available. The Company will arrange a meeting with the Union representative to discuss the pertinent data related to the problem before any action is taken by the Company.

## ARTICLE 36 - RATE PROTECTION

### 36.01 Rate Protection due to the Effect of Lack of Work or Job Re-Evaluation

Employees with five (5) years or more of continuous service downgraded through no fault of their own, from a class to which they were assigned, will maintain the rate of pay in effect at time of downgrade during the life of this agreement.

During the protection period, employees will be granted rate adjustments resulting from contract negotiations based on the class held prior to the downgrade.

### 36.02 Rate Protection will only cease under the following conditions:

- a) Downgrade to any class level at employee's own request.
- b) Refusal to take a higher classed similar job up to the protected class where the incumbent possesses the qualifications for that job.
- c) Failure to meet job requirements, if assigned to a similar job and given a period of orientation.
- d) Refusal to accept his former job(s) or failure to meet the job requirements of his former job(s) up to the protected class level.

### 36.03 Prior to the removal of rate protection from an employee under sub-sections (b), (c) or (d), the Company will arrange a meeting with the Union Representative to discuss the pertinent data related to the problem before any further action is taken by the Company.

### 36.04 Rate Protection - Recall

Employees with ten (10) years or less of continuous service who return from a lay-off in excess of one (1) year shall return to the rate of pay for the assigned class.

Employees with more than ten (10) years of continuous service who return from a lay-off in excess of two (2) years shall return to the rate of pay for the assigned class.

Employees returning from elected lay-off shall return to the rate of pay for the assigned class.

## \* ARTICLE 37 - SKILLED TRADES

### 37.00 This article is aimed to complete and clarify the work conditions related to skilled trades group but not to restrict or reduce the impact of the rest of the collective agreement for this group.

### 37.01 When found necessary, the Company will establish in consultation with the Union an evaluation and training program, in any of the following skilled trades groups:

Electrician  
Test Set Technician/Instrument Technician  
Electro-Electronic Technician  
Millwright  
Industrial Truck Mechanic  
Pipe Mechanic - Refrigeration  
Pipe Mechanic (Heating, Plumbing, Gas Competence, Sprinkler)

Mechanic (machine repair)  
Carpenter  
Flexible Automation Technician

Priority for participating in the training program would be given to present employees holding pre-established minimal requirements and who meet entrance examinations.

The Company would then commit to manage its training program to establish the appropriate conditions for such programs in consultation with the Union.

- 37.02** For purposes of filling a skilled trades vacancy, a trades employee who transfers back to the bargaining unit, shall have his service with the Company credited as Union service immediately.
- 37.03** When lack of work necessitates decreasing the skilled trades work force, **A3** trades employees will be retained first in their skilled trades departments, then in their location and after that in their bargaining unit, in preference to trades helpers, apprentices, A1 and **A2** employees in that sequence.
- 37.04** The Company will provide opportunities, when the need arises, to all available trades employees to keep abreast of technological advances in their trades. The opportunity for such training will be given to those employees provided they are willing and have the prerequisite academic qualifications or the relevant experience to be **so** trained.

Trades employees who require specialized training will be chosen at the Company's discretion. Other employees of the same trade group will receive the same training within a reasonable amount of time not exceeding six (6) months. If necessary, a six (6) month extension period will be granted to complete such training following prior discussion between the Company and the Union.

A letter will be sent to the Union listing the names of the candidates selected prior to them proceeding on course; such a list will also include the names of those employees who refused offered training.

- 37.05** The Company shall limit the use of outside contractors and will advise weekly (on Thursday) for the next week, in writing, the district representative. Such notice will describe the nature of work and the number of outside contractors by trade.

The hiring of sub-contractors will be coordinated at each location by a designated trades department manager.

Outside contractors will not perform work normally performed in the locations by trades employees while any such trades employees immediately available to do the work are surplus, about to be laid off or are on layoff. This restriction will not apply to work assignments of limited duration.

Notwithstanding the above, when work is required within any given location, trade employees normally performing such work shall be employed before the hiring of outside subcontractors, when the necessary capacity, facilities and skills are available.

No contractor (journeyman) will get a job in the bargaining unit before it is offered to employees laid off or about to be laid off.

\* See also article 24 re: Overtime General Provisions

- 37.05.01 Whenever possible, the Company will endeavour to have skilled trades work performed by Company skilled tradesmen. Consequently, work requests initiated by engineering, technology, ~~or~~ engineering of manufacturing groups will be channeled through a designated trades department manager, at each location, prior to such work being contracted to outside suppliers. The Union must be advised prior to such work being sent outside.
- 37.06 **Emergency "call-in"**
- In reference to articles 27.02 and 27.03:
- i) When a trades employee reports to work on a "called-in" emergency, he shall receive overtime for any time worked, or a minimum of ~~four~~ **(4)** hours pay at the employee's base rate whichever is greater.
  - ii) A trades employee who is called in due to emergency to work outside his regular shift and continues to work into his regular shift shall continue to be paid at his overtime rate until the completion ~~of~~ the work on the emergency assignment and will then revert back to his standard hourly rate for the balance of his regular shift.
- 37.07 The Company will repair or replace tools which the trades employee can show were broken, damaged or worn during the proper use of such tools in the performance of Company duties. ~~In~~ addition, the Company will replace stolen tools provided that the tradesman has taken reasonable precautions to prevent such losses.
- 37.07.01 The Company will continue to provide annually appropriate wearing apparel to tradesmen at each location. Damaged wearing apparel will be repaired or replaced by the Company provided that trades employees can show that it was damaged during proper use in the performance of their duties.
- 37.08
- a) Company employees, other than skilled trades personnel, shall not perform work normally assigned to trades employees.
  - b) The Company agrees to consult with the Union, wherever any changes to skilled trades work is contemplated.
- 37.09 An apprentice A1, ~~A2~~ **A2** or A3 who is obligated to pass an examination to qualify as a trades employee or a trades employee who is obligated by law to renew his licence or applies for an additional specialization may do so ~~on~~ Company time without loss of pay. Payment shall be made after submission ~~of~~ proof by the employee indicating that he has passed the examination.
- 37.10 When a trades employee is given a work assignment in excess of one (1) week and for a maximum of three (3) months in the same trade in another department, the employee(s) who has the most Union service shall have first choice as well as the right to refuse the assignment.
- When a trades employee is declared surplus within a skilled trades group, the Company's representatives, in consultation with the Union, shall see to the possibility of assigning this employee as a trades help.
- When a trades employee is given a work assignment in excess of one (1) week and for a maximum of three (3) months as a trades help in the same skilled trade group, the employee(s) who has the most Union service shall have first choice as well as the right to refuse the assignment.

The Company will notify the employee forty-eight (**48**) hours in advance and a letter with the name of the selected employee shall be sent to the Union head office within three (**3**) days of such notification.

At the end of this assignment, the employee will return to his former job. If this is not possible, he will exercise his bumping rights in accordance with article **37.12**.

**37.11** When an employee returns to a production class from a trades classification as a result of lack of work, his salary rate will be adjusted according to the provisions of article **33.03.01** or **36**.

**37.12 Effect of lack of work**

**37.12.01 - Selection of Surplus**

When lack of work necessitates decreasing the work force, the employee with the least Union service in his actual trade group shall be selected from the declared surplus job within the manager's area of jurisdiction; ability also being considered and provided that the Company shall have the right to maintain an efficient work force.

**37.12.02 - Bumping/Layoff Procedure**

- a) A surplus employee shall be transferred laterally in his trade, to fill any existing vacancy.
- b) If there is **no** such vacancy, the employee shall bump in the same trade the employee with the less Union service in his location.
- c) If unable to be placed under (a) or (b) above, the employee shall bump in the same trade the employee with the less Union service in his bargaining unit.
- d) If the surplus employee cannot be placed according to (a), (b), and (c) above and has already assumed an other trade in the bargaining unit, the procedure described in (a), (b), and (c) above will be applicable for the said trade provided such an employee has the necessary skills and experience to meet the normal requirements of the job, after a familiarization period of two (2) weeks. If the surplus employee cannot be placed according to (a), (b), (c) and (d) above, he will be laid off.
- e) If the surplus employee is about to be laid off, he shall have the right to fill any production vacancy subject to the provisions of article **12** and/or **34**.
- f) If unable to fill a vacancy under (e) above, he shall have the right to displace the employee having less seniority within production, as per the provisions of article **12** and/or article **34**.

**37.13 Wage administration trades employees, helpers and apprentices A1, A2 and A3 - Montreal Area**

**37.13.01** The Wage Administration Plan covering Classes 1 to 5 and A to D inclusively also applies to trades employees, helpers, apprentices A1, **A2** and A3.

**37.13.02** The Company will post notices of job vacancies for trades employees (Class **A3**), apprentices A1 and A2. These notices will be posted, from Monday to Friday, in all

locations of the bargaining unit. The Company agrees that written applications outlining the qualifications for the job received from employees within three (3) working days will be considered before any transfers or hirings are made.

- 37.13.03
- a) A vacant position that is filled by the reinstatement of an employee in the prior position he had been demoted ~~from~~, because of a lack of work, will not be posted.
  - b) An employee who takes a vacant position posted for a trade for which he does not have the appropriate analysis number will be considered as a new employee, as defined in article 35. In the event that there are surplus employees in the trades group, the selection ~~of~~ the employee will be at first within the skilled trades group. Failure to qualify in the new trade, the employee shall exercise his bumping rights in accordance with article 37.12 for the trades job in which the employee is qualified.
  - c) The selection of an employee to fill a vacant position for which he possesses the analysis number will be done by Union service.

37.14 The Company agrees to post an overtime list, by department, of all trades employees. This list will be updated weekly and will include refusals.

Such lists shall also be forwarded weekly to the Union head office.

37.15 In accordance with letter #26, the joint working committee for the skilled trades group shall meet when necessary at the request of one of the two parties. These meetings will take place during the first week of each quarter.

This committee will have the mandate of the: revision ~~of~~ job descriptions, training, job security and other programs, activities related to the development of human resources within the skilled trades group.

37.16 Subject to the provisions in this article, when an employee assigned to equipment maintenance retires without the voluntary retirement option, he will be replaced by an employee within the bargaining unit provided that an evaluation of the equipment maintenance requirements justifies the replacement. The skilled trades assigned to the equipment maintenance include Electro-Electronic Technicians, Mechanics (machinery repairs), Flexible Automation Technicians and Test Set Technicians/Instrument Technicians. The Company reserves the right to identify the skilled trade by which the retiree shall be replaced.

\* See also letters ~~of~~ intent # 7, 13, 16, 21 and 25.

**\*ARTICLE 38 - RATES OF PAY  
CLASSES 1-5 INCLUSIVELY - MONTREAL AREA**

R

Class	Effective date of ratification and for the duration of the collective agreement	
	Probation **	Class
Student	15.75	n/a
CL-1	23.19	26.75
CL-2	23.50	27.38
CL-3	Initial	23.50
	After <b>24</b> month	n/a
CL-4	24.47	28.63
CL-5	25.00	29.28

\* See letters 8, 11 and 24.

\*\* See Article 33

**ARTICLE 39- RATES OF PAY  
TRADES CLASSIFICATION - MONTREAL REGION**

R

Class	Progression schedule in hours worked			
	2000	4000	6000	8000
Effective date of ratification and for the duration of the collective agreement				
<b>Apprentice</b>	<b>24.91</b>			
<b>T-A1</b>		<b>26.40</b>		
<b>T-A2</b>			<b>31.43</b>	
<b>T-A3</b>				<b>32.85</b>

**ARTICLE 40- RATES OF PAY  
TECHNICIANS- MONTREAL REGION**

R

Effective Date of ratification	Class								
	Initial probation**	A Initial class	After24 months	B Probation **	Class	C Probation **	Class	D Probation **	Class
	23,5	27,38	28,95	25,27	29,62	26,22	30,72	28,27	32,85
<b>Feb 25, 08</b>	23,5	27,38	28,95	25,27	29,62	26,47	31,02	28,27	32,85
<b>Feb 23, 09</b>	23,5	27,38	28,95	25,27	29,62	26,72	31,31	28,27	32,85
<b>Feb 22, 10</b>	23,5	27,38	28,95	25,27	29,62	26,97	31,61	28,27	32,85
<b>Feb 21, 11</b>	23,5	27,38	28,95	25,27	29,62	27,22	31,90	28,27	32,85

\*\* See Article 33

**ARTICLE 41 - PROTECTION FOR EMPLOYEES ON  
WORKFORCE RESTRUCTURING**

R 41.01 In the event the Company decides to:

- a) fully close it's Montreal activities currently performed at the **BAN** Campus;
- b) do any or all **of** the following:
  - i) transfer work out **of** the bargaining unit to another Company location,
  - ii) transfer work out of the bargaining unit,
  - iii) purchase components or parts, currently being produced by employees in the bargaining unit, from sources outside Nortel Networks,
  - iv) permanently eliminate jobs for reasons other than market fluctuations,

and as a direct result either:

- the lesser of 10% or more of the employees in the bargaining unit (including those on STD benefits and Workers Compensation but excluding employees laid off and on L.T.D. benefits), or one (1) employee; in the event that the number of employees exceed 20, then 10% of the employees in the bargaining unit, or
- the lesser **of** 10% or more **of** all bargaining unit employees within an individual skill group, as set out in Appendix "A", or one (1) employee; in the event of that the number of employees exceed 20, then 10% of the employees in the bargaining unit.



are given, during any period of ninety (90) days, Workforce Restructuring notices, the provisions set out below will apply, as specified.

For the purposes of determining whether the percentages in paragraph 41.01 b) have been reached, all notices, as described, which have not been cancelled during the operative ninety (90) day period will be counted.

Notices which have been counted in the determination that the percentages in paragraph 41.01 b) have been reached cannot be counted again.

- R 41.02 The Company will meet with the Union thirty-five (35) weeks in advance of the date of the closure of the activities currently performed at the BAN Campus, or eighteen (18) weeks in advance of a layoff occurring as a result of circumstances set out in paragraph 41.01 b) above. Following this meeting, the parties will meet again to discuss opportunities to retain or replace work with the aim of minimizing the reduction of employees, including using attrition to manage the extent of such reductions.

It is understood that such discussions are to be conducted on a confidential basis and the Union undertakes to guard the confidentiality of them.

- 41.03 The Company will advise the Union and the employees at least sixteen (16) weeks in advance of layoffs or as legislation dictates, whichever is greater. This obligation will not apply retroactively to the layoffs which did not, at the time notices with respect to them were given, meet the percentages set out in paragraph 41.01 b) but together with subsequent layoffs, resulted in these percentages being met within the ninety (90) day period. This obligation will not apply to employees given notice of layoff due to the circumstances set out in paragraph 41.01 b) which occur in another skill group within the same ninety (90) day period but do not meet the percentage set out in paragraph 41.01 b).

- 41.04 In the circumstances set out in paragraph 41.01 b) above and during the first thirty (30) days of the notice period under paragraph 41.03 above, employees within each affected skill group will be offered the opportunity to retire early with a lump sum calculated in accordance with the Voluntary Retirement Option set out in paragraph 41.08 below and in accordance with the following:

- a) Employees who are eligible for an early retirement with a Class A or B pension will be offered, in descending order of Union service, the first opportunity and, if the number set out in 41.04 b) below has not been exceeded, employees eligible for an early retirement with a Class C pension will be offered in the same way the remaining opportunity, if any. After this, employees who qualify for bridging, in accordance with Company practice (for a maximum of 104 weeks) to **any** of the above Classes, will be offered in the same order of Class and in the same way any opportunity which was not taken.
- b) The total number of those retiring under 41.04 a) shall not exceed 100% of the number of employees within each affected skill group:
  - i) who have been given notice(s), pursuant to paragraph 41.03,
  - ii) who have contributed to the percentages in paragraph 41.01 b) being reached,
  - iii) who have received notices of Restructuring in the circumstances set out in paragraph 41.01 b) within the prior portion of the ninety (90) day period and are within the same skill group.
- c) Pension dates, or the dates **of** commencement of special leave prior to pension shall be no later than the end of the notice period. Notwithstanding the above, employees may utilize

unused vacation credits as determined by the Company, to reach a pension date, or date of commencement of special leave prior to pension, provided that the first day of vacation is no later than the first working day after the end of the notice period. The employee's pension date, or date of special leave prior to pension, shall be the date, as determined by the company, that he becomes eligible, or bridgeable, to proceed to pension. It is understood that during the utilization of unused vacation credits, employees will not have access to the Short Term Disability benefits, nor accrue service for vacation purposes.

d) The affected skill groups will be those included for the purposes of paragraph 41.01 b).

**41.05** In the circumstances described in paragraph **41.01**, the affected employees who have received notice pursuant to paragraph 41.03 may request a transfer to a job vacancy within the bargaining unit and selection shall be made as per Article **12**.

The Company shall provide the appropriate training where required for the employee to perform the job in a satisfactory manner.

**41.06** In the event the Company moves an operation pursuant to paragraph **41.01** or a job to another Company location outside of the bargaining unit, the following procedure will apply:

- a) An employee on an affected job will exercise his bumping rights in accordance with the Collective Agreement.
- b) **If the employee is unable to maintain his class under (a) above, he may request to be transferred at the same or another Company location, if a vacancy is available and local collective agreements permit. The Company will provide job training where required for the transferred employee to perform the job in a satisfactory manner.**
- c) In the event the Company moves a plant facility to any other location in Quebec during the life of this Agreement, the Company agrees that employees will have a preferred right to be transferred with their job to the new location.
- d) If, as a result of such move of operation or job, the employee is required to move to a location greater than eighty (80) kilometers from **his** present location, the Company will pay reasonable moving costs.
- e) The Company will give sixty (**60**) days notice, whenever possible, to employees who are to be transferred to a new location.

**R 41.07** All employees, laid off pursuant to notices given under paragraph **41.03** or pursuant to notices as a result of the circumstances set out in paragraph **41.01 b)** will be entitled to elect to be terminated and forfeit their recall rights by receiving severance pay allowance in accordance with the following table:

**Continuous service**

**Severance pay**

1 year but less than 2 years	1 week
2 years but less than 3 years	2 weeks
3 years but less than 4 years	3 weeks
4 years but less than 5 years	4 weeks
5 years but less than 6 years	7 weeks
6 years but less than 7 years	8 weeks
7 years but less than 8 years	9 weeks
8 years but less than 9 years	10 weeks
9 years but less than 10 years	11 weeks

10 years but less than 11 years	19 weeks
11 years but less than 12 years	21 weeks
12 years but less than 13 years	23 weeks
13 years but less than 14 years	25 weeks
14 years but less than 15 years	27 weeks

Three (3) weeks additional pay for each full year of service thereafter.

In the event the Company decides to fully close it's activities at the BAN Campus, the above Severance table will be modified as follows:

<u>Continuous service</u>		<u>Severance pay</u>
	1 year	0 week
1 years	2 years	6 weeks
2 years	3 years	7 weeks
3 years	4 years	8 weeks
4 years	5 years	9 weeks
5 years	6 years	12 weeks
6 years	7 years	13 weeks
7 years	8 years	14 weeks
8 years	9 years	15 weeks
9 years	10 years	16 weeks
10 years	11 years	20 weeks
11 years	12 years	22 weeks
12 years	13 years	24 weeks
13 years	14 years	26 weeks
14 years	15 years	28 weeks

Three (3) weeks additional pay for each full year of service thereafter.

In the circumstances described in paragraph 41.01 a), employees may, if eligible, and upon Company approval, proceed on pension prior to the commencement of layoff. They will be entitled to receive a lump sum payment in accordance with the formula set out in paragraph 41.08.

#### 41.08 Voluntary Retirement Option

The lump sum paid in connection with the exercise of the Voluntary Retirement Option will be as follows:

- a) Employees eligible for an early retirement with a Class A, B or C pension will be paid twenty-six (26) weeks of regular weekly wages, except those employees having thirty (30) years of pensionable service prior to the end of the notice period who shall be paid \$40,000 or twenty-six (26) weeks of regular wages, whichever is greater.
- b) Employees who qualify for bridging to the above Classes will be entitled to an amount based on their regular weekly salary, as follows:

<u>Continuous Service</u>	<u>Lump Sum</u>
Less than 22 years	18 weeks
22 years but less than 24 years	19 weeks
24 years but less than 26 years	20 weeks
26 years but less than 28 years	21 weeks
28 years but less than 30 years	22 weeks

**41.09** The Company will provide tuition reimbursement to employees proceeding to layoff as a result of a notice of lay-off given under the first paragraph of Article **41.03** or given as a result of circumstances set out in paragraphs **41.01** a) or b) within the particular ninety (90) day notice period.

Courses eligible for reimbursement must be training that directly enhances the employee's employability. In order to qualify for tuition reimbursement, completion of the course must result in the receipt of a certificate, diploma, transcript or some other form of official documentation indicating successful completion. Course reimbursement is subject to management approval. Such approval will not be unreasonably denied.

Attendance of all training activities provided by external institutions and vendors must be during the employee's non-working hours. Reimbursement will be limited to a maximum of four thousand (**\$4,000**) dollars per employee.

Applications for course reimbursement must be submitted prior to the employee's effective date ~~of~~ layoff. Tuition reimbursement for approved courses will be made for a period of twenty-four (**24**) months after the employee's date of lay-off.

Employees who elected to be terminated and thereby forfeit their recall rights in accordance with paragraph **41.07** will continue to be eligible for tuition reimbursement for a period of twenty-four (**24**) months after the employee's date of lay-off.

Tuition reimbursement will occur following the successful completion of an approved course. In addition, a receipt confirming prior payment of the tuition by the employee must also be submitted.

**41.10** The Company may upon request provide to employees with notice of layoff, given under the first paragraph of Article **41.03** or given as a result of circumstances set out in paragraphs **41.01** a) or b) within the particular ninety (90) day notice period, time off from work with pay to attend job interviews.

## **APPENDIX A**

**Skill** groups are defined as follows:

- Production
- Skilled trades
- Technicians

## **ARTICLE 42 – MODIFICATION, RENEWAL AND TERMINATION**

**R 42.01** This Agreement shall become effective on July 4, 2007 and shall remain in effect up to and including March 4, 2012, and the revised terms, as referred to in the Memorandum of Agreement, will be effective as of the date of ratification. The terms of this Agreement, except its duration, may be changed ~~or~~ amended by mutual consent of the parties, with such changes or amendments in the form of appendices to the original agreement. The articles, letters of intent, letters of understanding and appendices recorded herein shall constitute the entire agreement of the parties, subject to such amendments as may be agreed mutually by the parties in accordance with this article.

**42.02** Either party may give to the other party a written notice of its desire to amend, modify or terminate the Agreement, said notice to be sent not more than ninety (90) days prior to the date of termination. Within ten (10) days after such notice is given, a conference should be held for negotiations.

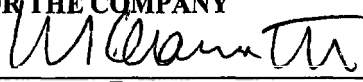
**R 42.03** After written notice of modification or termination has been given by either party within ninety (90) days preceding the date of termination indicating the parties' desire to negotiate for a new agreement or for the revision of the present agreement, all the terms and conditions contained in the present agreement shall be considered as remaining in force during such time as may elapse before it is found that the parties are unable to reach agreement and the right to strike or lock-out has been exercised or until a new or modified agreement is signed.

Notwithstanding the first paragraph of Article **42.03**, in the event that the Company decides to partially or fully close its operations currently performed at the BAN Campus after the date that the right to strike or lockout has been exercised but before a new collective labour agreement is signed, the applicable terms and conditions regarding termination of employment as set out in the collective labour agreement will be applied by the Company.

**42.04** Collective bargaining concerning the modification and/or renewal of this Agreement shall be conducted by the duly authorized bargaining representatives of the Company and the duly authorized bargaining representatives of the Union. The parties to such bargaining shall notify each other of the names of such representatives and of any subsequent changes which may occur.

IN **WITNESS** thereof the parties thereto have executed this Agreement on the 26 day of July 2007 in the City of Montreal

**FOR THE COMPANY**

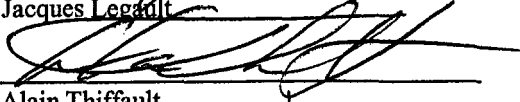
  
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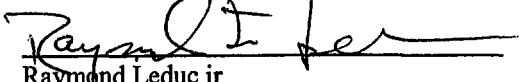
  
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Claude Carrier

**FOR THE UNION**

  
\_\_\_\_\_  
Pierre Lebrun

  
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Jacques Legault

  
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Alain Thiffault

  
\_\_\_\_\_  
Raymond Leduc jr

## **# 1 - LETTER OF INTENT RECOGNITION**

Under this Agreement, "employee" shall mean:

A person who is actively employed by Nortel Networks in the capacity of a non-supervisory hourly rated employee as described in Article #1 (Recognition), Clause 1.01.

Actively employed refers to a person on the active payroll and paid a wage for work performed for the Company. A person on the active payroll (except for layoff allowance) absent because of illness, injury or other causes which do not interrupt accumulation of service with the Company is considered an employee.

During the term of this collective agreement, should the Company establish new plant facilities in Quebec to manufacture products currently being produced in any of its present manufacturing locations on the island of Montreal, the Company will acknowledge the Canadian Union of Communication Workers as the exclusive bargaining agency for employees described in Article #1 (Recognition), Clause 1.01.

Reference: article 1.

## **# 2 - LETTER OF INTENT CAREER OPPORTUNITIES**

The Company agrees, when an opening in management occurs, to consider employees who have expressed their desire to become part of management.

## **# 3 - LETTER OF INTENT PRE-RETIREMENT PROGRAM**

### **1. Definition**

An employee who is eligible for pension (class A or B) **or** will be eligible within the next twenty-four (24) months may request to participate on a voluntary basis in the pre-retirement program. After a period of twenty-four (24) months maximum, he shall proceed on pension. The Company will not refuse such requests without valid reason and will inform the Union when employees proceed on this program.

### **2. Conditions**

- a) The employee will be requested to work three (3) or more regular work days per week and will have such work days scheduled two (2) weeks in advance.

**For** employees assigned to a twelve (12) hour work shift, the third-level manager and the district representative will meet to consider the possibilities of accommodating the employees in question.

- b) For the duration of the program, continuous service will be accumulated as if the employee was working regular hours.
- c) For the duration of the program, the employee will be requested to work on a job at the same class level, or lower to that which he held prior to his participation in the program and for

which he is qualified or possesses the qualifications. The employee will maintain the rate of pay in effect at the time of his Participation.

- d) An employee who participates in the pre-retirement program will be entitled to all Company benefits including sickness and accident. For the purpose of calculating short term disability benefits, the first day of absence will be the employee's first scheduled work day.
- e) Vacation pay will be calculated as if the employee was normally at work.
- f) An employee who is selected for a job vacancy must terminate his participation in the pre-retirement program.
- g) If mutually agreed to, this program may be extended only once for an additional twelve (12) months.

### 3. **Re-instatement**

- a) The employee must notify his immediate manager if he wishes to terminate his participation in the pre-retirement program. He will be reinstated within three (3) weeks of such request to his former job or exercise his bumping rights in accordance with article 12.
- b) **An** employee who terminates his participation in the pre-retirement program may not re-apply.

## **# 4 - LETTER OF INTENT INFORMATION TO THE UNION RE: RESIGNATION**

The Company will provide the Union Representative with information in any specific case where an employee has resigned and the Union Representative feels the resignation was not totally voluntary, so that the Union may investigate the matter before the employee leaves the premises and, if deemed advisable, request the appropriate manager concerned for a prompt review and, where deemed appropriate, a modification of the case.

Reference: articles 10 and 12A.

## **#5 - LETTER OF INTENT MATERNITY LEAVE ALLOWANCE**

An employee who receives Short Term Disability benefits (STD) before taking her maternity leave will have her STD benefit rights restored.

Reference : article 18.01 g.

## **# 6 - LETTER OF UNDERSTANDING LAYOFF ALLOWANCE AND PAYMENT**

### 1. **Payment**

- a) An employee with fifteen (15) or more years of continuous service may elect to receive a layoff allowance in a single payment or in bi-weekly payments provided the employee returned to work for one (1) year or more following a layoff. Should an employee choose bi-weekly payments, the

initial payment will be made two (2) weeks after the date of lay-off. This option is not subject to qualification for EIC. The entitlement for this payment will be as follows:

<u>Continuous service at date of layoff</u>		<u>Layoff allowance</u>
<b>Period</b> completed	<b>But</b> <b>Less Than</b>	<b>No. of</b> <b>weeks' pay</b>
15 years	16 years	27 weeks

Three (3) weeks additional allowance for each full year of continuous service thereafter.

- b) The payment will be based on the employee's regular work week hours (excluding overtime) and on his equivalent weekly rate of pay at the date of layoff excluding COLA.
  - c) The layoff allowance shall be based on the employee's overall continuous service after deducting the amount received as a result of previous layoff excluding the layoff allowance received prior to 1988.
  - d) Should this individual be later recalled within a time interval shorter than that covered by the number of weeks of layoff allowance granted, the amount of layoff allowance paid to the employee for the excess number of weeks shall be considered as an advance in pay by the Company and repayable through payroll deductions at the rate of 10% of such employee's wages per pay period.
  - e) In subsequent layoffs, the layoff allowance of an employee who previously elected a lump sum payment or bi-weekly payments shall be based on his overall continuous service after deducting the amount received as a result of previous layoffs. Furthermore, his layoff allowance entitlement at any future date shall not be restored.
  - f) Should a situation arise, beyond the control of the Company, which necessitates the layoff of more than 50% of the workforce in any given location employees affected will not be eligible for a layoff allowance in a single payment or in bi-weekly payments.
2. An employee having at least five (5) years of continuous service can forfeit his recall rights and receive a layoff allowance in a lump sum or in bi-weekly payments. The layoff allowance shall be one (1) week of salary for each full year of continuous service.
  3. An employee who elects to receive a layoff allowance in a single payment or in bi-weekly payments must have returned to work for one (1) year following a layoff and make a written request to Human Resources within four (4) weeks of his date of lay-off and before requesting and obtaining Supplementary Unemployment Benefits.

Reference: articles 12B, 34 and 37.

### # 7 - LETTER OF AGREEMENT SELECTION PROCESS

When a job vacancy for class 2 or above, class B or above or for skilled trades is posted, the selection process to be used will be posted at the same time.

Reference: articles 12B, 34 and 37.



**#8 - LETTER OF AGREEMENT  
HIRING OF STUDENTS**

The Union and the Company have agreed on the following points regarding the hiring of students for the period of May to August for each year covered by the collective agreement:

- R**
1. The number of students shall be limited to two (2). In the event that the limit of 2 students is reached and the Company requires additional resources, the Company and the Union will discuss the possibility of increasing this number.
  2. Jobs filled by students will not be subject to posting and will not be subject to the bumping procedure defined in article 12B of the collective agreement.
  3. Students will be considered on probation and will not have any rights, as specified in article 12 and related letters of agreement, throughout their employment period.
  4. Students will be paid in accordance with the schedule of salaries set out in article 38 (a rate of \$15.00 per hour).
  5. Article 24.04 does not apply to students. The opportunity to work overtime will be offered to students after employees normally assigned to the work have been asked.
  6. Students will only be hired if there are no employees on the recall list.

**#9 - LETTER OF INTENT  
EFFECT OF A LACK OF WORK**

- R** When employees face a layoff, the Company and the Union shall meet during the notice period to discuss solutions that could reduce the number of employees affected.

Among the solutions to be considered, the Company could offer an early retirement to employees eligible to either Class A, B or C pension, in descending order of Union service, with a lump sum equivalent to the Supplementary Unemployment Benefits (minimum \$20,000 - maximum \$40,000) that would have been received by an employee whose layoff is avoided. The provisions of such an offer shall be determined according to each layoff

In the case where this solution is not retained, the Company shall offer to the eligible employees of Class B or C an early pension without a lump sum. Employees from each skill group will have the possibility, in conformity with the following conditions:

- a) Employees eligible to retire with a Class B pension will be offered the first opportunity, in descending order of seniority and if the number set out in b) below has not been exceeded employees eligible for a Class C pension will be offered, in the same way, the remaining opportunity, if any. Employees must advise the Company of their acceptance of the pension offer within eight (8) working days of receipt of said offer.
- b) The total number of those retiring under a) shall not exceed the number of employees who received layoff notices within the skill group (as defined in Appendix A of article 41).
- c) Pension dates shall be no later than the end of the notice period. Notwithstanding the above, employees may utilize unused vacation credits, as determined by the Company, to reach a pension date provided that the first day of vacation is no later than the first working day after the end of the notice period. The employee's pension date shall be the date, as determined by the Company, that the employee becomes eligible to proceed to pension. It is understood that during the utilization of unused

vacation credits, employees will not have access to the Sickness and Accident plan, or accrue service for vacation purpose.

- d) Employees may utilize unused vacation credits of the year, as determined by the Company, as long as the vacation credits allow the employees to become eligible to retire with a Class B or C pension, provided that the first day of vacation is no later than the first day after the end of the notice period.
- e) Where an employee who has been given notice of layoff and is also eligible to retire with a Class B or C pension within such notice period, shall be offered the opportunity to retire regardless of whether the maximum set out in b) for his skill group has been exceeded.

Reference: articles 12B, 34 and 37.

#### #10 - LETTER OF UNDERSTANDING VACATION

The following rules relating to vacation shall apply:

- a) Rescheduling of vacation at the Company's request

When vacation has been scheduled and then rescheduled at Company's request and where an employee has been unable to take the rescheduled vacation because of short term disability, the Company may pay buy back the unused rescheduled vacation at straight time rates, or at the rate of pay for vacation as outlined in article 29.08.01, using the most advantageous formula, or grant such vacation after May 31st of the succeeding year, provided such the delayed vacation is completed not later than June 30th of the such succeeding year.

- b) Rescheduling of vacation due to disability

If, while on vacation, an employee is hospitalized for a period of one (1) day or more or suffers a major disability for a period of one (1) day or more, which incapacitates him, the employee may request a re-scheduling of vacation days lost.

Hospitalization means treatment in an in-patient or on admission to a Day Surgery Unit for procedures conducted under general anesthetic, or either under Intravenous anesthetic or local anesthetic where such procedures were formerly required to be done under general anesthetic.

Upon submission of satisfactory proof by the employee, such as a written hospital report or a written medical report by the treating physician will be submitted to the Company Health Centre. The latter may approve the request based on the review of circumstances of the case. If approved, the Company Health Centre will advise the employee's supervisor who will arrange the new vacation schedule dates.

- c) Accrued vacation - Employee recalled

If the case where an employee is laid off and recalled to work before receiving a pay cheque for accrued vacations, the Company shall take the necessary steps to cancel the said cheque, unless the employee expresses the desire to accept it.

Reference: articles 18 and 29.

**# 11 - LETTER OF INTENT – RATE  
ADJUSTMENT FOR EMPLOYEES ON DISABILITY**

Rate adjustments resulting from contract negotiations will also be applied to employees who are receiving disability benefits in accordance with the Company's Plan, at the time these rate adjustments become effective.

Reference: articles 38, 39 and 40.

**# 12 - LETTER OF AGREEMENT – TRANSFER  
AND TRAVELLING ON COMPANY BUSINESS**

An employee loaned out on a job assignment outside of the Montreal area and vicinity, and travelling with the Company's authorization will:

- a) Travel during regular working hours.
- b) When **job** requirements demand that the employee travels out of regular working hours, he will be paid at one and one-half times his hourly rate for all travel time between 6:00 a.m. and midnight.

“Travel time” is the duration of the trip and waiting periods if transfers are involved. The route taken must be the shortest possible between the departure and arrival, with the shortest waiting period, if a transfer is required.

- c) Authorized trips home while on assignment should be planned to give the employee maximum time at home (i.e. arrive at home 6:00 p.m. Friday - leave home 6:00 a.m. Monday).

Reference: General and article 27.

**# 13 - LETTER OF AGREEMENT  
DEFINITION OF TERMS**

In order to ensure the correct understanding of this Collective Agreement, the following definitions shall prevail:

- a) **Similar**  
A similar job means a job in which 50% or more of the content corresponds to the content of a job for which the incumbent is qualified.
- b) **Orientation**  
Orientation refers to training of the type given on a promotion in order to complete the qualifications required for a job similar to the one previously held.
- c) **Possesses the qualifications**  
Possesses the qualifications refers to an employee having the skills, ability and experience to do a job.
- d) **Qualified**  
Qualified refers to an employee having satisfactorily performed the job previously, excluding temporary assignments.
- e) **Consult**

It is understood that in the application of this Collective Agreement, the wording "Agreed to consult with the Union" is defined as: "Agreement to inform, discuss with and consider the opinion of the Union and/or the District Representative".

f) **Familiarization**

The following clarification applies to all references to familiarization periods contained in this collective agreement:

It is understood that by the end of the familiarization period, the employee should have achieved, or through continuous and progressive improvement must have demonstrated the potential to achieve, the rates as defined in the production standards.

g) **Temporary Assignments**

A "temporary assignment" means an assignment due to a workload increase for a period of less than a month or an assignment to replace an employee on a leave of absence.

Reference: articles 12B and 37.

**# 14 - LETTER OF AGREEMENT  
FUND**

**Three Cents Per Hour Paid**

The Company will continue to pay three cents (\$0.03) for each hour worked by all employees covered by the Union. The amounts accumulated will be paid to the Union at the end of every quarter.

**# 15 - LETTER OF AGREEMENT  
NOTICE OF LAYOFF DEEMED RECEIVED**

**An** employee who is on Short Term Disability benefits, on maternity or parental leave, at the time that a notice of layoff would have applied to him had he been at work, will be deemed to have received such notice at that time.

His records will be adjusted to reflect the period of time he has been on the Sickness and Accident or Long-Term Disability benefits, on maternity or parental leave, from the time the layoff would have occurred until the employee is considered fit to resume work.

Reference: articles 12A, 18 and 30.

**# 16 - LETTER OF INTENT  
SKILLED TRADES**

All employees who are part of the skilled trades group as of April 2, 1985 will remain at their current class level (A3).

Reference: article 37.

**# 17 - LETTER OF UNDERSTANDING  
VACATION CALCULATIONS**

It is understood that, in the application of article 29.06, employees who are laid off and recalled during the period of July 1st to June 30th of the following year shall have their vacation entitlement calculated as follows.

The actual number of days on layoff will be calculated and sixty (60) days will be subtracted from this total. The difference will be divided by thirty (30) and each such complete thirty (30) day period will reduce the employees' vacation entitlement by the appropriate amount, as outlined in the article 29.05 vacation reduction table.

Examples of the above application are as follows:

**Example A**

<b>Layoff date</b>	<b>Recall date</b>	<b>Days absent</b>		
Jan. 15	Feb. 27	Jan.	-	16 days
		Feb.	-	<u>26</u>
		Total	-	42 days
April 26	May 16	April	-	04 days
		May	-	<u>15</u>
		Total	-	19 days
	Total days absent	-	61 days	
	Subtract 60 days	-	<u>-60</u>	
	Difference	-	1 day	

Thirty (30) day periods = 0, therefore, no reduction in vacation entitlement.

**Example B**

Employee with eleven (11) years of continuous service.

<b>Layoff date</b>	<b>Recall date</b>	<b>Days absent</b>		
Jan. 14	Mar. 28	Jan.	=	17 days
		Feb.	=	28
		Mar.	=	<u>27</u>
		Total	=	72 days
April 22	June 20	April	=	08 days
		May	=	31
		June	=	<u>19</u>
		Total	=	58 days
	Total days absent	=	130 days	
	Subtract 60 days	=	<u>-60</u>	
	Difference	=	70 days	

Thirty (30) day periods = 2, therefore, vacation entitlement reduction would be:

Two 30-day periods x 2 days each = 4 days reduction.

Therefore, in this example, the employee would have a potential vacation of	20 days
Vacation paid on layoff (July 1-Jan. 14) would have been	<del>12</del>
Difference	8 days
Reduction as per above	<del>4</del> days
Remaining paid vacation entitlement	4 days
Reference: article 29.	

### **#18 - LETTER OF INTENT FLEXIBLE HOURS**

As discussed during the 2000 negotiations, the following paragraph addresses our mutual understanding for hours of work.

The Company recognizes the potential for mutual benefit when start and finish times of given individuals, departments or organization are modified to address specific business and individual needs. In the event of a difference of opinion, the problem will be referred to the Director, Manufacturing.

Reference: letter # 23.

### **# 19 - LETTER OF INTENT WORK SCHEDULE**

The Company and the Union agree that the following provisions shall apply when twelve-hour shifts are implemented.

In cases where the Company decides that such a schedule is required of a given group, the Company shall meet with the Union thirty (30) days prior to implementation to discuss the possibilities of implementing such schedules. In cases where the Union agrees to the introduction of such a schedule, affected employees will be invited to an information session, These employees shall then vote on whether to accept the **shift** schedule.

The Company and the Union agree to set up a joint committee. This committee shall be made up of Company and Union representatives. Meetings shall be held at the request of either party. The responsibility of this committee will be to explain the working conditions for continuous process operations and conditions associated with their implementation, application operational practices, training, health and safety, work schedule, start and finish of **shift**, rotation and duration, training and qualifications of teams and pay. The intent of the two parties is to discuss and set forth recommendations to be introduced in a timely manner.

Should the Company decide that this type of shift is no longer required, the Company shall inform the Union thirty (30) days prior to a change being introduced.

Once the affected employees have accepted the twelve (12) hour **shift**, the following working conditions shall apply.

A) Employees who, according to provisions set out in the collective agreement have displacement rights for five-day week positions can exercise their displacement right for these positions or can opt to exercise their right to positions which are not subject to this shift, even if they risk being laid off.

B) Continuous six day operations

1) Employees who wish to return to the eight hour shift shall have one (1) month following the start of the new shift schedule to do so. Their placements shall be done in accordance with the provisions under article 12.06– Effect of Lack of Work.

2) Hours of Work

i) The term "work day" as it is used in this collective agreement means a regularly scheduled twelve (12) hour work day.

ii) The standard hours of work for employees assigned to a twelve (12) hour shift is twelve (12) hours work per twenty-four (24) hour period. The regular weekly shift for employees assigned to a twelve (12) hour shift is of three (3) days of twelve (12) hours: (Monday, Tuesday, Wednesday) and (Thursday, Friday, Saturday).

R iii) The regular pay week for employees assigned to twelve (12) hour shifts begins on Sunday at 6:00 p.m. and ends on Saturday at 6:00 p.m.

3) Rate of pay

i) Regularly scheduled and worked hours as per twelve (12) hour shifts shall be paid at the regular hourly rate. The regular weekly schedule of thirty-six (36) hours, is the equivalent in wages to forty (40) hours of work.

ii) A reduction in wages due to lateness or a leave without pay shall be deducted from the regular hours at the rate of wages plus cost of living allowance. To preserve the premium outlined in paragraph i) an employee must work a minimum of twelve hours of his regular weekly schedule.

R 4) Off-Shift Differential

An off-shift differential will be paid for hours worked after 3:00 p.m. The differential will be paid in the following manner: daytime shift (6:00 a.m. to 6:00 p.m.) for a regular 36-hour work week, 16 hours of differential shall be paid. Night shift (6:00 p.m. to 6:00 a.m.) for a regular 36-hour work week, 40 hours of differential shall be paid.

5) Cost of Living Allowance

The cost of living allowance is paid for 40 hours.

6) Overtime Pay

6.1 Employees shall be paid one and a half times the hourly rate:

i) for the first eight (8) hours worked if an employee is told that he must work on a day off, twice the hourly rate shall be paid for hours in excess of that. However, the aforementioned shall not apply to an employee whose crew has changed or whose work schedule has been changed, thereby affecting which day the employee has off.

6.2 Employees shall be paid twice their hourly rate:

i) for the first four (4) hours worked in excess of twelve (12) regular hours worked in the twenty-four hours which follow the beginning of the employee's crew.

R ii) for all hours worked on Sundays outside of the regular shift, i.e. from Saturday at 6:00 p.m. to Sunday at 6:00 p.m.

iii) For all hours worked on a plant holiday.

R 6.3 With the exception of circumstances outlined in paragraph 6.2 iii), employees shall receive, for each hour worked, the following premium:

CLASS	2007	2008	2009	2010	2011
CL-1	\$2,97	\$2,97	\$2,97	\$2,97	\$2,97
CL-2	\$3,04	\$3,04	\$3,04	\$3,04	\$3,04
CL-3 (initial)	\$3,04	\$3,04	\$3,04	\$3,04	\$3,04
CL-3 (24 months)	\$3,11	\$3,11	\$3,11	\$3,11	\$3,11
CL-4	\$3,29	\$3,29	\$3,29	\$3,29	\$3,29
CL-5	\$3,25	\$3,25	\$3,25	\$3,25	\$3,25
CL-A (initial)	\$3,04	\$3,04	\$3,04	\$3,04	\$3,04
CL-A (24 months)	\$3,22	\$3,22	\$3,22	\$3,22	\$3,22
CL-B	\$3,29	\$3,29	\$3,29	\$3,29	\$3,29
CL-C	\$3,41	\$3,45	\$3,48	\$3,51	\$3,54
CL-D	\$3,65	\$3,65	\$3,65	\$3,65	\$3,65
Apprentice	\$2,77	\$2,77	\$2,77	\$2,77	\$2,77
TA1	\$2,93	\$2,93	\$2,93	\$2,93	\$2,93
TA2	\$3,49	\$3,49	\$3,49	\$3,49	\$3,49
TA3	\$3,65	\$3,65	\$3,65	\$3,65	\$3,65

7) Bereavement

In accordance with article 18.04.

8) Plant Holidays

As outlined in article 28.

When a Plant holiday occurs, it can be granted at the start or at the end of the crew's regular schedule; i.e. more precisely, the day closest to a weekend.

Plant holidays will be indicated on the work schedule and past practice concerning the Christmas plant shutdown will be maintained, i.e. forty (40) hours' pay for shutdown.

9) Vacation

Vacations shall be calculated on the basis of twelve (12) hours.

10) Short-term Disability Claims

For employees with less than ten (10) years' service, the Company shall apply the 8-8 rule. For the first day, employees will be paid the equivalent of four (4) hours worked. Another four (4) hours worked will be paid during the second day of absence.

As for an employee who is already at work but who leaves due to illness after having worked less than six (6) hours, he will be paid for hours worked and that day will be recorded as a sick day. Employees who work less than four (4) hours will be paid the equivalent four (4) hours.

If an employee works more than six (6) hours, he will be paid for the hours worked and that day will not be considered a sick day.



**#20 - LETTER OF UNDERSTANDING - LAYOFF ALLOWANCE  
AND SUPPLEMENTARY UNEMPLOYMENT BENEFITS**

It is agreed that in the event of major changes to the Employment Insurance regulations negatively impacting the payment under the Supplementary Unemployment Benefit Plan, the Company agrees to revert to the former layoff allowance plan, with the schedule of the 1997-2000 collective labour agreement subject to the provisions specified in Article 13.02 of the 1985-1988 collective labour agreement, if so requested by the Union.

Reference: article 13.

**#21 - LETTER OF INTENT  
ELECTRICIANS/ELECTRO-ELECTRONICS**

The following represents the basis of our mutual agreement with respect to the trades classifications of electricians and electro-electronic technicians.

Those employees with the trades classifications of electrician and electro-electronic technicians with Northern Telecom as of February 28, 1994, shall be deemed to have dual qualifications for the purposes of layoff or recall.

Reference: article 37.

**# 22 - LETTER OF INTENT  
SHORT-TERM DISABILITY**

The Company is committed to making available an appeal process in the case where short term disability benefits would be denied. The appeal process provides for Company's Director of Benefits to designate an evaluation team, consisting of medical staff, including a physician and excluding the disability manager assigned to the litigious case, reviews the medical documentation provided to determine the eligibility to the short term disability benefits. Recourse to this process does not limit access to the grievance procedure provided in Article 6 of this Collective Agreement.

**# 23 - LETTER OF INTENT  
MUTUAL INTEREST**

The Company and the Union are committed to meet during the third week of each quarter or upon request of one or both parties to identify and discuss matters of mutual interest. When both parties find it appropriate, working committees will be implemented with a mandate to analyze certain problems and suggest appropriate solutions.

Changes resulting from the working committees may form part of the present collective labour agreement.

Reference: article 2.

**# 24 - LETTER OF INTENT  
ACCESSIBILITY TO CLASS 2 AND 3 JOBS  
INITIAL RATES - CLASS 3**

1. a) In order to facilitate access to Classes 2 and 3 jobs by Union service, the Company agrees to give the employees access to the profiles of these classes. These profiles will define duties and

qualifications, including any diploma completed or a list of any completed courses before an employee can fill the vacancy. The qualifications shall be in relation with the total requirements of the job.

- b) A familiarization and/or training session shall be offered to the candidates. In the event that the number of participants is restricted to a specific number, the employees will have access to the sessions in order of Union service. Following the session, the employee's acquisition of the knowledge and skills required to perform the duties will be evaluated and the selection shall be made on the basis of Union service from among those who pass the exam.
2. a) Should the job require a diploma or the successful completion of courses, the selection shall be made on the basis of Union service from among the candidates who have their diploma or have completed, with success, the required courses. However, the Company will maintain a bank of trained employees or on training to fill job vacancies as Machine Operators (analysis #29333) and Technical Operators (analysis #29334). In the event that training is restricted to a specific number of participants, the employees will have access to the training in order of Union service.
  - b) In the event that a vacant machine operator's job (analysis #29333), class 3, is granted to an applicant who does not possess the required experience for that job, this employee will be assigned at the class 3 initial rate.
  - c) The employee who will be assigned to a vacant technical operator job (analysis #29334) class 3, will be paid according to the salary schedule established.
3. a) In the event of technological changes affecting employees of Classes 1 and higher, the affected employees shall have access to the training to face the changes.

A technological change is defined as the introduction of manufacturing equipment different in type or nature, or the substantial modification of equipment actually used in the manufacturing operations of the Company.

Reference : articles 12B and 38.

**# 25 - LETTER OF INTENT  
RECLASSIFICATION OF INSTRUMENT TECHNICIAN (11532)  
AND TEST SET TECHNICIAN (11525)**

This is to confirm that, in the application of Article 37.12.02, employees with analysis number 11532 (Instrument Technician) will be renowned to have analysis number 11525.

Reference: article 37.

**#26 - LETTER OF INTENT  
DEATH OF A LAID-OFF EMPLOYEE**

In the event of a laid off employee's death, the following conditions apply to the estate:

Severance pay will be determined based on the continuous service at the time of lay off according to the table below from which the Company shall deduct an amount equivalent to the Supplementary Unemployment benefits already paid:

**Continuous Service**

**Severance Pay**

1 year, but less than 2 years	6 weeks
2 years, but less than 3 years	7 weeks
3 years, but less than 4 years	8 weeks
4 years, but less than 5 years	9 weeks
5 years, but less than 6 years	12 weeks
6 years, but less than 7 years	13 weeks
7 years, but less than 8 years	14 weeks
8 years, but less than 9 years	15 weeks
9 years, but less than 10 years	16 weeks
10 years, but less than 11 years	20 weeks
11 years, but less than 12 years	22 weeks
12 years, but less than 13 years	<b>24</b> weeks
13 years, but less than 14 years	<b>26</b> weeks
<b>14</b> years, but less than 15 years	28 weeks

Three (3) weeks additional pay for each full year of service thereafter.

Reference: articles 12B, 34 and 37.

**# 27 - LETTER  
BLOOD TEST**

The Company agrees to compensate, for a maximum period of four **(4)** hours, employees if they must be absent for blood tests. This absence will be compensated as long as the blood test requires the employee to fast during his regular work shift.

## APPENDIX "A" - PENSION/BENEFITS

### 1. PREAMBLE

- 1.1** This appendix, which shall form part of the Collective Labour Agreement (hereinafter called the "Agreement"), describes amendments to those plans which shall be in effect for active employees during the term of the Agreement, information relating to cost sharing, and reference to preservation of those Company plans which are not contractually covered.
- 1.2** The effective dates of amendments to these plans, where applicable, are noted in the relevant paragraphs hereafter.
- 1.3** The term applicable shall be as defined for the Agreement, except with respect to the Pension Plan which shall be for the term from January **1, 2004** to and including December 31, 2006.
- 1.4** Agreements with respect to the plans described in this appendix may be changed or amended by mutual consent of the parties hereto, with such changes or amendments to be in the form of appendices to the Agreement. The duration of the Agreement cannot be affected by such changes or amendments.
- 1.5** For the purposes of this appendix, the following definitions shall prevail:

**1.5.1** Benefit Group shall mean the categories of job classifications determined as follows:

<b>Benefit Group</b>	<b>Job Class</b>
<b>2</b>	Classes 1-4 and A
<b>3</b>	Classes 5, B, C, D and trades

**1.5.2** For the purposes of the Plans referred to in paragraphs 2, 3, 4 and 5 "eligible dependents" shall mean the following:

- (i) the person of the opposite sex or same sex who:
- a) **is** legally married to the employee, or
  - b) is not married to the employee, but is an individual with whom the employee is cohabiting and who is publicly represented as the domestic partner of the employee; and
  - c) is eligible for provincial health care coverage.
- (ii) Unmarried natural or legally adopted, dependent children of the employee or spouse who are:
- 1) living or deemed to be living with the employee, including those where support for benefit coverage has been dictated by a court order; and
  - 2) (a)** under age **21**, or

- (b) over age **21**, but not over age **25** (age **26** for eligible drug expense under the Extended Health Care plan for dependent children in Quebec only), and are full-time students at an accredited college or university; and,
- 3) are eligible for provincial health care coverage.
- (iii) physically or mentally handicapped, financially dependent children, regardless of age, provided
  - a) they were handicapped and dependent prior to age **21**, or
  - b) they were handicapped and dependent between age **21** and age **25** (age **26** for eligible drug expense under the Extended Health Care plan for dependent children in Quebec only), and were full-time students at an accredited college or university at the time they became handicapped and dependent, and
  - c) they are eligible for provincial health care coverage.
- (iv) any child who is in the custody of the employee pursuant to a valid and existing custody order and who meets the qualifications set out in (ii) above and is financially dependent on the employee.

**1.5.3** "Eligible dependents" shall mean, for purposes of paragraphs 9 and 10 of this appendix:

- (i) "Spouse" means the individual of the opposite sex or same sex who is legally married to the employee and not living separate and apart from the employee or, if the employee so elects, who is not living with the employee at the time of the employee's death; or if neither of these is applicable, a person of the opposite sex or same sex who is not married to the employee, but is an individual with whom the employee has been cohabiting for a period of one year immediately preceding the employee's death and who had been publicly represented as the domestic partner of the employee.
- (ii) Unmarried natural or legally adopted, dependent children of the employee or spouse who are:
  - 1) living or deemed to be living with the employee, including those where support for benefit coverage has been dictated by a ~~court~~ order; and
  - 2)** (a) under age **21**, or
    - (b) over age **21**, but not over age **25**, and are full-time students at an accredited college or university; and,
  - 3) are eligible for provincial health care coverage.
- (iii) physically or mentally handicapped, financially dependent children, regardless of age, provided
  - a) they were handicapped and dependent prior to age **21**, or
  - b) they were handicapped and dependent between age **21** and age **25**, and were full-time students at an accredited college or university at the time they became handicapped and dependent, and

c) are eligible for provincial health care coverage.

(iv) Dependent parents

The above eligible dependents shall be ranked in descending order of priority.

1.6 “Spouse” shall mean, for the purpose of paragraph 11 of this appendix:

- a) the person of the opposite sex who is legally married to the employee or, if the employee so elects, is not living with the employee at the time of the employee’s death; or
- b) the individual of the opposite sex who is not married to the employee, but is an individual with whom the employee had been cohabiting for a period of one year immediately preceding the employee’s death and who had been publicly represented as the domestic partner of the employee; or
- c) such other individual who is required to be recognized as the spouse of the employee pursuant to the Quebec Supplemental Pension Plans Act, for the application of particular provisions of the Plan.

1.7 All employees hired after the date of ratification shall become eligible for coverage under the Plans referred to in paragraphs 2, 3, 4, 5, 6, 8 and 9 on the first day of the month following the month in which the employee completes three (3) months of continuous service.

## 2. **SUPPLEMENTARY HOSPITAL PLAN**

2.1 The Company will continue to provide the Supplementary Hospital Plan as in effect immediately prior to the term of the Agreement. The cost of this Plan will be paid by the employees, including any increases in premiums during the term of the Agreement.

## 3. **EXTENDED HEALTH CARE PLAN**

3.1 The Company will continue to provide the Extended Health Care Plan as in effect immediately prior to the term of the Agreement. The cost of this Plan will be paid by the Company, including any increases during the term of the Agreement relating to the services covered by the Plan.

## 4. **VISION CARE PLAN**

4.1 The Company will continue to provide the Vision Care Plan as in effect immediately prior to the term of the Agreement except as indicated in 4.2 below. The cost of this plan will be paid by the Company.

4.2 Effective September 1, 2007, the maximum payment under this Plan will be increased to \$200 for eligible expenses for each covered individual for every two (2) consecutive calendar years.

## 5. **DENTAL, PLAN**

5.1 The Company will continue to provide a Dental Plan as in effect immediately prior to the term of the Agreement except as indicated in 5.2 and 5.3 below. The cost of this Plan, including any increases during the term of the Agreement, will be paid by the Company.

- 5.2 Effective September 1, 2007, the 2006 Quebec Dental Association Schedule for General Practitioners will apply.
- 5.3 Effective January 1, 2010, the 2009 Quebec Dental Association Schedule for General Practitioners will apply

## 6. **SHORT TERM DISABILITY BENEFITS**

- 6.1 The Company will continue to provide a Sickness and Accident (S&A) Plan as in effect immediately prior to the term of the Agreement. Items noted under paragraphs 6.2, 6.3 and 6.4 below are provided elaboration to current Plan provisions.
- 6.2 For the purpose of this Plan, "Hospitalized" shall mean an in-patient in a licensed hospital, or an out-patient who undergoes a debilitating procedure(s) or receives an anesthetic in a hospital or clinic which prevents the member from returning to active work on that day.
- 6.3 There will be no unpaid days in the event of a relapse occurring within 60 days of return to work, nor with respect to any disability occurring within two (2) weeks of return from a previous illness.
- 6.4 The Short Term Disability Plan will reimburse up to a maximum of forty dollars (\$40) for expenses incurred for the physician's report required by the Company providing the employee is eligible for sickness and accident benefits. Prior to receiving the reimbursement, the employee must also provide the original receipt.

## 7. **LONG TERM DISABILITY PLAN**

- 7.1 The Company will continue to provide the Long Term Disability (LTD) Plan as in effect immediately prior to the term of the Agreement.

## 8. **GROUP LIFE INSURANCE PLAN**

- 8.1 The Company will continue to provide life insurance through the Group Life Insurance Plan - Part I, hereinafter called "Part I", as in effect immediately prior to the term of the Agreement except as indicated below.
  - 8.1.1 Effective May 1, 2004, Part I of the insurance Plan will provide coverage in the amount of \$87,000. Part I life insurance will reduce by 50% immediately at retirement and will continue to reduce 5% per year thereafter until it reduces to \$21,750.

The above increase to Group Life insurance Part I will apply to those employees who are active effective May 1, 2004. Employees on LTD prior to May 1, 2004 will not be eligible for Part I increase as outlined above, unless they return to active full-time duty for a minimum of sixty (60) consecutive days.

- 8.2 The Company will continue to provide, on an optional basis to employees, life insurance through the Group Life Insurance Plan - Part II, hereinafter called "Part II", as in effect immediately prior to the term of the Agreement.

The rates will be adjusted in accordance with Plan experience. The cost of Part II will be paid by the employee.

For any increases in Part II coverage, a statement of health is required.

- 8.3 The Company will continue to provide, on an optional basis to employees, life insurance through the Dependent Life Plan as in effect immediately prior to the term of the Agreement.

Dependant Life rates will be adjusted in accordance with Plan experience. The cost of the Dependent Life Plan will be paid by the employee.

For any increases in spousal coverage, a statement of health is required.

## 9. **SURVIVOR TRANSITION BENEFIT PLAN**

- 9.1 The Company will continue to provide a Survivor Transition Benefit Plan as in effect immediately prior to the term of the Agreement, subject to paragraph 1.5.3, for employee receiving LTD benefits prior to May 1, 2004 until they return to active, full time duties at work for a period of sixty (60) consecutive calendar days or upon proceeding to retirement.

- 9.2 Effective May 1, 2004, in lieu of Survivor Transition Benefits for active employees and future retirees, the Company will provide increased Part I life insurance coverage for active employees as per paragraph 8.1. In the event of an active employee's death, the active employee's survivor will continue to have coverage under the health, vision and dental plans for up to sixty (60) consecutive months paid by the Company.

## 10. **RETIREMENT ALLOWANCE PLAN**

- 10.1 The Company will continue to provide a Retirement Allowance Plan as in effect immediately prior to the term of the Agreement subject to paragraph 1.5.3 except as indicated in paragraph 10.1.1 below.

10.1.1 The amounts set out in the schedules in effect immediately prior to the agreement will be increase based on 2006 schedule as follows:

2% on January 1, 2007  
1% on January 1, 2010  
1% on January 1, 2011

- 10.2 Employees will be entitled to payment under the Plan if, as of their pension date, they have at least ten (10) years of continuous service. The amounts set out in the Schedules will be payable monthly commencing with the month in which the pension date falls and continuing until the month age 65 is reached, except that for retirement at age 65 there will be only one payment.
- 10.3 An employee entitled to the Retirement Allowance Plan may elect to receive, either as a lump sum or as monthly payments, during any period up to age 69, the present value of the scheduled amount discounted at the rate prescribed for the first fifteen (15) years for non-indexed pensions, for the month in which the payment of benefits commences under the Canadian Institute of Actuaries Recommendations for the computation of transfer values from registered pension plans effective September 1, 1993.
- 10.4 If a retired employee who is entitled to a retirement allowance dies prior to all payments being made, the remaining payments will be paid monthly on the same basis to eligible dependents or the employee's estate.



- 10.5 Where employees retire with a class E pension and are entitled to a retirement allowance, the amount as set out in the Schedule will be reduced actuarially for each month by which the employee's age is less than **65**.
- 10.6 From and after ratification date, where an employee dies, while in the employ of the Company and having met the conditions for a Class A, B, C or E pension, his eligible dependents or his estate will receive the retirement allowance payments that would have otherwise been made, had the employee retired immediately prior to his death.

**11. PENSION PLAN**

11.1 The Company will continue to provide the Nortel Networks Negotiated Pension Plan in effect on December **31, 2003** during the applicable term stated in paragraph **1.3** above, subject to paragraph **11.2** through **11.5** inclusive below:

11.2 For the purpose of service under the Pension Plan, all employees will have a Pension Service Date ("PSD") as follows:

11.2.1 For employees hired prior to March **1, 1991** but after June **7, 1988**, their PSD will be the earlier of:

- i) the day after completing twenty-four (**24**) months of continuous service, or
- ii) March **1, 1991** if the employee earned **35%** of YMPE or completed seven hundred (**700**) hours of employment in the preceding calendar year.

11.2.2 For employees hired after February **28, 1991**, their PSD will be January **1** of any calendar year, if in the preceding calendar year the employee earned 35% of the YMPE or completed seven hundred (**700**) hours of employment, or the day after completing twenty-four (**24**) months of Continuous Service, whichever comes first.

11.2.3 PSD will be assigned on the first day of Pension Plan membership and service will accrue from that day.

11.2.4 If an employee receives payout of the commuted value of the deferred pension, the PSD will be forfeited. If this employee subsequently is employed by the Company, membership in the Pension Plan will commence immediately but no credit will be given for any prior service with the Company for any purpose under the Pension Plan.

11.3 The following basic benefit rates shall be used to calculate the basic pension benefit for employees retiring with a pension date on or after:

<b>Benefit Group</b>	<b>2</b>	<b>3</b>
January <b>1, 2007</b>	<b>\$54.00</b>	<b>\$57.00</b>
January <b>1, 2008</b>	<b>\$54.00</b>	<b>\$57.00</b>
January <b>1, 2009</b>	<b>\$54.00</b>	<b>\$57.00</b>
January <b>1, 2010</b>	<b>\$55.00</b>	<b>\$58.00</b>
January <b>1, 2011</b>	<b>\$56.00</b>	<b>\$59.00</b>

11.4 Employees retiring on or after January **1, 2004** will receive a normal pension benefit equal to **100%** of the amount of basic benefit multiplied by years of pensionable service which will be payable for the life of the retired employee, and upon death, the retired employee's spouse will

receive 60% of the monthly pension benefit which had been paid to the retired employee immediately prior to death.

- 11.5 Effective January 1, 1992, those employees who have, on or after January 1, 1998 retired from active service with the Company under the benefit pension plan, and subsequently their spouse or designated beneficiary, will receive annual post retirement adjustments in accordance with the following matrix:

Age on Pension Date /Deferred Annuity Payment Date or Anniversary Thereof	Formulae	Payments	Fold into Monthly Benefit
Under Age 60	60% of percentage increase CPI: max. 6% payout	Annual Lump Sum paid in month of anniversary month of birthday	No
Age 60 or over, but under age 65	60% of percentage increase CPI: max. 6% payout	Monthly - paid in month of the anniversary month of birthday	Folded in annually
Age 65 or over	80% of percentage increase CPI: max. 6% payout	Monthly - paid in month of the anniversary month of birthday	Folded in annually

Terminated employees will receive no post retirement adjustments in connection with any time prior to commencement of receipt of deferred annuity payments.

- 11.5.1 The calculations of post retirement adjustments will use CPI = 1981 (All Canada) and will be in accordance with the following schedule:

Month of Birthday Anniversary	Twelve (12) Month Upward Change" in CPI for the Month of
January	November
February	December
March	January
April	February
<b>May</b>	March
June	April
July	<b>May</b>
August	June
September	July
October	August
November	September
December	October
* Moving average	

## 12. OTHER COMPANY PLANS

12.1 The Company proposes to continue the following during the term of the Agreement.

- Travel Accident Insurance
- Travel Well
- Employee Savings Plan

12.2 While the Company will not reduce the level of benefits of the Plans referred to in paragraph 12.1 above during the term of the Agreement, it reserves the right to amend the terms and conditions of such Plans in order to conform to existing or future legislation, to ensure they may best meet the objectives for which they were established, and to enable their administration to be carried out with prudence and economy in the interest of all participants therein.

## 13. GENERAL

13.1 The Company shall furnish the Plan text(s) within **3** months (or as soon as practicable) after signing the Agreement, for review and comment by the Union. The other documents referred to below will be furnished at appropriate times for review and comment by the **Union**.

13.2 The Company will furnish the Union with copies of the administrative procedures, benefit booklets, and approved and authorized texts covering the employee benefit Plans referred to in paragraphs 2 to 12 of this appendix.

13.3 As soon as it is practicable hereafter, the Company will provide each employee with a benefit booklet containing descriptions of the various Plans referred to in this appendix.

13.4 The Company will ensure that all the Plans covered by this appendix are adjusted to reflect legislation precluding discrimination with respect to age, sex, and marital status, except to the extent that such legislation so permits.

13.5 The Company confirms its intention to maintain its present practices with respect to the handling of statutory and Company benefits as these apply to retirees. In the event a change appears desirable, the Company will discuss such changes in advance with the Union.

13.6 An Island-wide Benefit Committee will be maintained. Procedures shall be determined on a basis which is mutually acceptable to the Union and the Company. Items for discussion shall in general be limited to those matters pertaining to the benefits covered in this Appendix and may include application thereof to future retirees. A minimum of four **(4)** meetings shall be held in each calendar year.

13.7 The Company will furnish the Union with such information with respect to the operations of applicable benefit plans as shall be mutually acceptable to the parties or required by legislation, including:

- Copy of the Pension Plan Cost Certificate
- Copy of the annual information return to the province of registration for the Pension Plan

13.8 The Union consents to the application by the Company, through partial funding of the latter's costs, in providing improved employee benefits in accordance with the Agreement and with prior Collective Labour Agreements between the Union and the Company, of the reductions equal to at

least 5/12th that have been or may be granted to the Company as to employer's premiums under the Unemployment Insurance Act.

**13.9** The Company shall have the exclusive right to determine and change the method and terms of financing for the Company Health Care Plans, Disability Plans, Group Life Insurance - Parts I and II and the Dependent Life Plan provided under the Agreement, subject to the following conditions:

- a) no changes will take place without at least three (3) months prior notice to the Union,
- b) no changes will have the effect of reducing the value of any benefit,
- c) no changes will affect the method of claims settlement except as shall be mutually agreed by parties, and
- d) the Company shall furnish the Union with a full accounting as to the disposition of any surplus or deficit attributable to employee contribution