Collective Agreement

Between

Toromont Cat

and

The National Automobile, Aerosopace, Transportation and General Workers Union Of Canada, Local 112

Begins: 07/01/2003

Terminates: 06/30/2006

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MEMORANDUM OF AGREEMENT made and entered into this 1st day of July, 2003.

BETWEEN:

TOROMONT CAT, A DIVISION OF TOROMONT INDUSTRIES LTD.

hereinafter designated as the "Company" OF THE FIRST PART

- and -

THE NATIONAL AUTOMOBILE, AEROSPACE AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA) and its LOCAL 112

hereinafter designated as the "Union" OF THE SECOND PART.

Whereas the Union was certified on the 5th day of May, 1970 as the bargaining agent of all employees of TOROMONT CAT, A DIVISION OF TOROMONT INDUSTRIES LTD. (formerly "Crothers Limited") at Metropolitan Toronto and Concord save and except supervisor, persons above the rank of supervisor and office and sales staff;

AND WHEREAS the parties to this agreement agree that the purpose of the agreement is to provide lawful and orderly collective bargaining relations between the Company and its employees covered by this agreement, through the Union, to secure prompt disposition of grievances, to eliminate interruption of work and interference with efficient operation of the Company's business, and to maintain fair wages, hours and working conditions for the said employees, all as set forth in this agreement;

Now THEREFORE the parties hereto agree as follows:

ARTICLE 1 - RECOGNITION

- 1.01 The Company recognizes the Union as the sole collective bargaining agency for all its employees employed at Metropolitan Toronto and Concord, save and except for supervisors, persons above the rank of supervisor and office and sales staff.
- 1.02 "Employee" as used in this agreement shall mean those persons described in the bargaining unit set forth in Clause 1.01.
- 1.03 Use of the masculine gender in this contract shall include the feminine.

ARTICLE 2 - RELATIONSHIP

- 2.01 It is agreed that all employees of the Company who are members of the Union as of the date of signing of this agreement shall, as a condition of employment, remain members in good standing as provided in the Constitution and By-Laws of the Union. All employees hired after the date of signing of this agreement shall become members of the Union.
- 2.02 All employees covered by this agreement shall authorize the Company in writing to deduct an amount equivalent to regular monthly Union dues for the term of this agreement from the first pay due each calendar month.

- 2.03 The Company agrees during the term of this agreement, to the extent authorized in writing by each employee, to deduct all regular initiation fees and dues in amounts prescribed by the Constitution and By-Laws of the Union from the first pay due in the month following the month in which the employee is first hired and each calendar month thereafter and to remit same not later than the thirtieth (30th) day of the same month to the Secretary Treasurer of Local 112 CAW. 30 Tangiers Road, Toronto M3J 2B2. The Company further agrees to provide the following information:
 - 1. A list of all members in the bargaining unit regardless if they paid dues in the month.
 - 2 Each member's mailing address.
 - 3. Employee numbers.
 - 4. Each member's hourly rate or equivalent.
 - Each member's status (i.e., at work, on vacation, weekly sick benefits, LTD, WCB, retired in month, any other leave of absence) as soon as information systems permit.
 - 6. Number of hours worked in the month.
- 2.04 It is expressly understood and agreed that the Company shall not be required to discharge any employee for violation of the provisions of Articles 2.01 and 2.02 of this agreement for any reason other than the non-payment of regular monthly Union dues, notwithstanding anything to the contrary herein contained.

- 2.05 The Company and the Union agree that they will not discriminate against employees in respect to their training, upgrading, promotion, transfer, layoff, discharge or otherwise because of race, creed, colour, national origin, sex, marital status, political affiliation or sexual orientation.
- 2.06 It is agreed that the Union and the employees will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company without the permission of his or their respective supervisor.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union recognizes and acknowledges that the management of the plant and direction of the working force are fixed exclusively in the Company and, without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company to:
 - a. maintain order and efficiency;
 - b. hire, promote, demote, classify, transfer and suspend employees, conduct performance reviews (copy to be supplied to employee) and to discipline or discharge any employees for just cause provided that a claim by an employee who has acquired seniority that he has been discharged or disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided;
 - c. make, alter from time to time, and enforce reasonable rules and regulations to be observed by the employees provided

such rules are not inconsistent with the terms and provisions of the agreement; all employees must sign the acknowledgement form of the Company Code of Conduct and the Rules of Conduct and return same to their supervisor, when requested;

- d. determine the nature and kind of business conducted by the Company, the kinds and locations of plants, equipment and materials to be used, the control of materials and parts, the methods and techniques of work, the content of jobs, the schedule of production, number of employees to be employed, the extension, limitation, curtailment or cessation of operations or any part thereof, and to determine and exercise all other functions and prerogatives which shall remain solely with the Company except specifically limited by the express provisions of this agreement;
- e. the Company agrees that it will exercise these functions in a manner not inconsistent with the express provisions of this Agreement.
- 3.02 Without limiting the generality of the foregoing provisions, it is expressly understood and agreed that breach of any of the Plant Rules, or of any of the provisions of this agreement, shall be conclusively deemed to be sufficient cause for discipline or dismissal of an employee; provided that nothing herein shall prevent an employee going through the grievance procedure to determine whether or not such breach actually took place.

ARTICLE 4 - PLANT COMMITTEE

4.01 The Company acknowledges the right of the Union to appoint or otherwise select a Plant Committee composed of stewards, the basis of representation being one steward per area supervised by one supervisor and in addition to appoint, or otherwise elect a plant chairperson. All stewards shall be employees of the Company during the term of their office. (Notwithstanding the above, any reduction of supervisory personnel will not affect the current number of stewards.)

The name and area of each of the stewards and the name of the chairperson of the Plant Committee from time to time selected shall be given to the Company in writing and the Company shall not be required to recognize any such steward or chairperson until it has been so notified.

- 4.02 The Company undertakes to instruct all members of its supervisory staff to cooperate with the stewards in the carrying out of the terms and requirements of this agreement.
- 4.03 The Union undertakes to instruct its officers, stewards and members to cooperate with the Company and with all persons representing the Company in a supervisory capacity.
- 4.04 Employees having grievances cannot discuss these with their respective stewards during working hours without obtaining prior permission of the supervisor concerned and such permission shall not be unreasonably withheld.
- 4.05 The right of the stewards to leave their work without loss of basic pay to attend to Union business is granted on the following conditions:

- a. Such business must he between the Union and/or the employee and the management.
- b. The time shall be devoted to the prompt handling of necessary Union business.
- c. The steward concerned shall obtain the permission of the supervisor concerned before leaving his work. Such permission shall not he unreasonably withheld.
- d. The time away from productive work shall be reported in accordance with the time keeping methods of the department in which the steward is employed.
- 4.06 The Company agrees to grant reasonable time to stewards for the processing of grievances and the Union agrees that such right shall not be misused and the provisions of Section 4.05 sub-sections (c) and (d) shall apply.
- 4.07 The President of the Local Union, or in his absence the Vice-President, will be recognized as an ex-officio member of all committees. The Company agrees to recognize them as such and the Local Union President or Vice-president will be permitted to attend all meetings between Union and Management on all matters arising from the provisions of this agreement. In addition if the Local Union President desires access to the Company plant he shall notify the Company Human Resources Manager in advance. He will then be granted access provided such access does not unreasonably interfere with the efficient operations of the Company's business.

4.08 The Plant Chairperson will be supplied on a monthly basis with written information listing new hires, including department and classifications, discharges, resignations, layoffs, recalls, changes in classification and transfers for employees covered by this agreement. Said information shall be provided no later than the 15th of any one month. Every six months the Company will supply the Plant Chairperson with a complete current mailing list of the employees covered by this agreement. The Company agrees to provide the Plant Chairperson with an office that will include a telephone (with voice mail), filing cabinet, desk and chairs. The Company retains the right to withdraw office privileges for misuse or after consultation with the National abuse Union Representative.

The Plant Chairperson will be granted free access to other work areas during his working hours provided advance notification is given to his supervisor and provided the Plant Chairperson notifies the supervisor of the work area he is visiting immediately upon entry to such area. It is understood and agreed that access may be delayed due to pressing customer or other business requirements.

4.09 The Company will provide for a one hour orientation period for new employees to be held once per month.

ARTICLE 5 - GRIEVANCE PROCEDURE

5.01 The parties to this agreement are agreed that it is of utmost importance to adjust complaints and grievances concerning the interpretation or alleged violation of the agreement as quickly as possible.

- 5.02 It is generally understood that an employee has no complaint or grievance until first giving their immediate supervisor an opportunity to adjust the complaint or grievance. The employee, either alone or with the assistance of their area Union representative, must discuss the complaint or grievance with their supervisor within five (5) working days of the incident giving rise to the complaint or grievance. If the employee does not request the assistance of a steward they will signify in writing and the Union will receive a copy. Complaints, which remain unresolved, will be forwarded to the Plant Chairman for discussion with the Company's Industrial Relations Manager.
- 5.03 If the complaint is not satisfactorily resolved within two (2) working days the Union representative may within another two (2) working days submit a written grievance identifying the Article(s) allegedly violated to the supervisor referred to in Article 5.02.
- 5.04 Grievances properly arising under this agreement shall be adjusted and settled as follows:
 - **Step No. 1.** The aggrieved employee with his area steward shall present his grievance in writing to his supervisor. The supervisor shall give his decision within two (2) working days following the presentation of the grievance to him. If the supervisor's decision is not satisfactory to the employee concerned then the grievance may be presented as follows:
 - **Step No. 2.** Within two (2) working days after the decision is given at Step No. 1, the aggrieved employee, with his area steward, will present the grievance (which shall be reduced to

writing on a form supplied by the Union) to the Service Manager in the case of employees employed in the Service Division and to the Distribution Manager in the case of employees employed in the Parts Division, who shall consider it in the presence of the person or persons presenting same and the supervisor and render his decision in writing within two (2) working days following the presentation of the grievance to him. If a settlement satisfactory to the employee concerned is not reached, then the grievance may be presented as follows:

Step No. 3, - Within two (2) working days after the decision is given under Step No. 2, the aggrieved employee may submit his grievance to the General Manager, and the employee, accompanied by the Chairperson of the Plant Committee and his area steward, shall meet within ten days with such persons as management may desire, to consider the grievance. At this stage they may be accompanied by a representative of the National Union if his presence is requested by either party. The General Manager will render his decision in writing within five (5) working days following such meeting.

5.05 If final settlement of the grievance is not reached at Step No. 3, and of the grievance is one of which concerns the interpretation or alleged violation of the agreement, then the grievance may be referred in writing by either party to a Board of Arbitration or a Single Arbitrator as provided in Article 6 below at any time within ten (10) calendar days after the decision is given under Step No. 3 and if no such written request for arbitration is received within the time limit, then it shall be deemed to have been abandoned,

ARTICLE 6 - ARBITRATION

- 6.01 Both parties to this agreement agree that any dispute or grievance concerning the interpretation or alleged violation of this agreement, which has been properly carried through all the steps of the grievance procedure outlined in Article 5 above, and which has not been settled, will be referred to an Arbitrator, at the written request of either of the parties hereto.
- 6.02 The Arbitrator will be selected from the list below, and will rotate in sequential order, commencing from the top.

Wesley Rayner Jayne Devlin Joseph W. Samuels Randy Levinson

- 6.03 The Arbitrator shall not have any power to alter or change any of the provisions of this agreement or to substitute any new provisions for any existing provisions nor to give any decision inconsistent with the terms and provisions of this agreement.
- 6.04 Each of the parties to this agreement will equally share the expenses of the Arbitrator.
- 6.05 The Company will pay the lost wages, if any, for the Plant Chairperson to attend arbitration hearings up to a maximum of two (2) hearings per year.

ARTICLE 7- MANAGEMENT GRIEVANCES - POLICY GRIEVANCES

- 7.01 Any grievances instituted by management may be referred in writing to the Plant Committee within three (3) full working days of the occurrence of the circumstances giving rise to the grievance, and the Plant Committee shall meet within two (2) working days thereafter with management to consider the grievance. If final settlement of the grievance is not completed within five (5) working days of such meeting, the grievance may be referred to a Board of Arbitration or Single Arbitrator as provided in Article 6 at any time within ten (10) calendar days thereafter, but not later.
- 7.02 A Union policy grievance, which is defined as an alleged violation of this agreement, concerning all or a substantial number of the employees in the bargaining unit, in regard to which an individual employee could not grieve, may be lodged by the Chairperson of the Grievance Committee in writing with the Service Manager in the case of employees employed in the Service Division and the Distribution Manager in the case of employees employed in the Parts Division at Step No. 2 of the grievance procedure at any time within two (2) full working days after the circumstances giving rise to such grievance occurred or originated, and if it is not satisfactorily settled it may be processed to Step No. 3 and to arbitration in the same manner and to the same extent as the grievance of an employee.

ARTICLE 8 - DISCIPLINE AND DISCHARGE CASES

- 8.01 Where a formal review process has been undertaken for an employee over a specified period of time, the employee will be informed of the areas of concern on a regular basis throughout that period.
- 8.02 A claim by an employee who has completed the probationary period that he has been discharged or suspended without just cause shall be treated as a grievance if a written statement of such grievance is lodged with the Service Manager in the case of employees employed in the Service Division or with the Distribution Manager in the case of employees employed in the Parts Division at Step No. 2 of the grievance procedure within two (2) working days after the employee ceases working for the Company. Such special grievances may be settled by:
 - a. confirming the management's action in dismissing or suspending the employee; or
 - b. reinstating the employee with full compensation for lost time; or
 - c. any other arrangement which is just and equitable in the opinion of the conferring parties or the Board of Arbitration, or the Single Arbitrator as the case may be.
- 8.03 Where an employee is given a disciplinary warning which is to be recorded against him, the area steward shall be present, and notice of the discipline will be given to the employee and to the Union.

ARTICLE 9 - NO STRIKES - NO LOCKOUTS

- 9.01 In view of the orderly procedures established by this agreement for the settling of disputes and the handling of grievances, it is agreed that, during the life of this agreement, there will be no strike, picketing, slowdown or stoppage of work, either complete or partial, and that there will be no lockout.
- 9.02 The Company shall have the right to discharge or otherwise discipline employees who take part in or instigate any strike, picketing, stoppage or slowdown, but a claim of unjust discharge or discipline may be the subject of a grievance and dealt with as provided in Article 5 above.
- 9.03 Should the Union claim that a cessation of work constitutes a lockout, it may take the matter up with the Company at Step No. 3 of the grievance procedure.
- 9.04 The Union agrees that it will not involve any employee of the Company or the Company either directly or indirectly in any dispute which may arise between any other employer and the employees of such other employer.

ARTICLE 10 - WAGES, CLASSIFICATIONSAND AUTOMATIC PROGRESSION

10.01 Schedule "A" hereto headed Wages and Classifications is hereby made a part of this Agreement.

10.02

- a) Employees hired after February 6, 2000 in the position of Partsman will be hired into Level 1 and will progress to Level 2 after six (6) months worked, providing there has been satisfactory performance in the position.
- b) The Company may promote an employee in lesser time frames commensurate with previous experience and performance.

ARTICLE 11 - HOURS OF WORK AND OVERTIME

11.01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week or of days of work per week. The Company will endeavour to staff all shifts on a volunteer basis. In the event that the number of volunteers is less than the shift requirements, all other departmental workers will fill the remaining vacancies on a rotating basis. The Company reserves the right to limit the number of volunteers on any shift, if the combined skill level of a shift is below Company standards. Volunteers steadily employed on any shift other than Shift 1, will not normally be required to participate in any rotation schedule. Leadhands will be exempt from rotation. Employees who have more than 30 years seniority may request permanent assignment to Shift 1.

The total number of employees assigned to Shift 1 may not exceed 25% of the total number of departmental employees. Should more employees request assignment than are allowed, requests will be granted on a seniority basis.

11.02

- a) The standard work week for Shift I shall consist of forty (40) hours per week, Monday through Friday, comprised of five (5) eight (8) hour shifts unless otherwise defined. There shall be one (1) unpaid lunch break of thirty (30) minutes duration, as scheduled by the Company, during each eight (8) hour shift. The hours for Shift I shall be scheduled between the hours of 6:00 am and 5:30 pm.
- b) Notwithstanding the above, Shift 1 in the warehouse may be scheduled with start times **up** to 11:00 am. In the first instance, warehouse vacancies with starting times between 9:01 am and 11:00 am will be filled on a volunteer basis (as stated in 11.01) If the number of volunteers is insufficient, then the Company will fill the remaining vacancies by selecting from other qualified departmental employees on an inverse seniority basis.
- 11.03 Shift 2 shall consist of either forty (40) hours per week, Monday through Friday, comprised of five (5) eight (8) hour shifts, or forty (40) hours per week, comprised of four (4) consecutive ten (10) hour shifts scheduled Monday to Thursday inclusive, or Tuesday to Friday inclusive, unless otherwise defined.

There shall be one (I) unpaid lunch break of thirty (30) minutes duration, as scheduled by the Company, during each

eight (8) or ten (10) hour shift. If a five (5) day second shift is operated, the hours of work for such second shift shall be scheduled to commence between 2:30 p.m. and 5:00 p.m. If a four (4) day second shift is operated, the hours of work for such second shift shall be scheduled to commence between 1:30 p.m. and 3:30 p.m.

- 11.04 Shift 3 shall consist of forty (40) hours per week, Monday through Friday, comprised of five (5) eight (8) hour shifts unless otherwise defined. There shall be one (1) unpaid lunch break of thirty (30) minutes duration as scheduled by the Company during each eight (8) hour shift. The hours of work for the third shift shall be scheduled to commence between 10:00 pm and 12:00 a.m.
- 11.05 Shift 4 shall consist of either thirty-six (36) hours per week, Friday through Sunday, comprised of three (3) twelve (12) hour shifts, or thirty-six (36) hours per week, Saturday through Monday, comprised of three (3) twelve (12) hour shifts. There shall be one (I) unpaid lunch break of thirty (30) minutes duration, as scheduled by the Company, during each twelve (12) hour shift. The hours for Shift 4 shall be scheduled to commence between the hours of 6:00 a.m. and 9:00 a.m.
- 11.06 Shift 5 shall consist of thirty-six (36) hours per week, Friday through Sunday, comprised of three (3) twelve (12) hour shifts. There shall be one (1) unpaid lunch break of thirty (30) minutes duration, as scheduled by the Company, during each twelve (12) hour shift. The hours for Shift 5 shall be scheduled to commence between the hours of 3:30 p.m. and 9:00 p.m.

- 11.07 Overtime at the rate of time and one-half the employee's regular hourly rate shall be paid for all work performed in excess of the shift hours set forth in Articles 11.02, 11.03, 11.04, 11.05 and 11.06 above.
- 11.08 Overtime at the rate of double the employee's regular hourly rate shall be paid for all work performed in excess of the regular shift assignment as follows:
 - a) for all employees scheduled to shifts 1, 2 or 3, all shifts commencing on Sunday;
 - b) employees working five-day shifts, all hours worked in excess of eight (8) hours on Saturdays;
 - c) for all four-day shifts, all hours worked in excess of eight
 (8) hours on the fifth or sixth consecutive shift;
 - d) for all three-day shifts, all hours worked in excess of eight (8) hours on the fourth or fifth consecutive day;
 - e) for all three-day shifts, all shifts commencing on the sixth or seventh consecutive day.
- 11.09 Premiums shall not be paid more than once for any hours worked and there shall be no pyramiding of overtime.
- 11.10 The Company will endeavour to distribute overtime work as equitably as is reasonably possible among employees on the shift who normally perform the work to be done.

11.11 a) A shift premium shall be paid for all hours worked on regularly scheduled Shifts 2, 3, 4 or 5 as per the following schedule:

Skilled Trades \$1.95 / hour Non-skilled Trades \$1.64 / hour

For employees working on Shifts 4 and 5, an additional premium equivalent to four (4) hours at base rate plus applicable shift premium will be paid per scheduled Shift, providing the employee works the entire Shift. Employees working less than the full shift will be paid a prorated premium calculated by dividing the hours worked by 36. Hours paid for statutory holidays will be considered hours worked for the purposes of this calculation.

- b) An employee working on Shift 2, 3, 4 or 5 who is required to work overtime shall receive his shift premium as defined in 11.11(a) and also overtime premium of one and one-half (I.5) times his basic hourly rate.
- c) Where an employee is required to work beyond a double shift and there are less than eight (8) hours from the time he completes the overtime until the starting of his regular shift, he shall be paid at straight time rate for the hours which encroach on his regular shift to a maximum of four hours provided he works the balance of his regular shift.
- 11.12 In-plant employees shall be paid an allowance up to \$6.75 in Year 1, \$7.00 in Year 2 and \$7.25 in Year 3 after completion of three (3) hours of overtime work beyond the normal work shift as defined in Articles 11.02, 11.03, and 11.04 and the

submission of supporting receipts. Meal allowances will be paid on weekly cheques.

11.13 Where a statutory holiday occurs during an employees normally scheduled work week, and falls on a day that has been scheduled as a day off for the employee, the employee will be granted the closest normally scheduled work day off with pay.

ARTICLE 12 - VACATIONS WITH PAY

- 12.01 The Company's normal vacation year starts July 1st and runs through to June 30th of the following calendar year. All employees who have been steadily employed by the Company for a period of up to six (6) months prior to July 1st of any year shall be entitled to vacation pay of four percent (4%) of earnings.
- 12.02 **All** employees who have been steadily employed by the Company for more than six (6) months, but less than one year prior to July 1st in any year shall be entitled to 40 hours of vacation with pay at a time convenient to the Company and shall receive as vacation pay an amount equivalent to 40 hours of pay at the employee's current hourly rate or four percent (4%) of earnings whichever is greater.
- 12.03 All employees who have been steadily employed by the Company for more than one (1) year, but less than five (5) year prior to July 1st in any year shall be entitled to 80 hours of vacation with pay at a time or times convenient to the Company and shall receive as vacation pay an amount

equivalent to 80 hours of pay at the employee's hourly rate or four percent (4%) of earnings whichever is greater.

- 12.04 All employees who have been steadily employed by the Company for more than five (5) years, but less than ten (10) years prior to July 1stin any year shall be entitled to I20 hours of vacation with pay at a time or times convenient to the Company and shall receive as vacation pay an amount equivalent to 120 hours of pay at the employee's current hourly rate or six percent (6%) of earnings whichever is greater.
- 12.05 All employees who have been steadily employed by the Company for more than ten (10) years but less than twenty (20) years prior to July 1st in any year shall be entitled to the equivalent of 160 hours of weeks' vacation with pay at a time or times convenient to the Company and shall receive as vacation pay an amount equivalent to I60 hours of pay at the employee's current hourly rate or eight percent (8%) of earnings whichever is greater.
- 12.06 All employees who have been steadily employed by the Company for more than twenty (20) years prior to July 1st in any year shall be entitled to 200 hours of vacation with pay at a time or times convenient to the Company and shall receive as vacation pay an amount equivalent to 200 hours of pay at the employee's current hourly rate or ten percent (10%) of earnings, whichever is greater.
- 12.07 An employee who has ceased to be employed by the Company before receiving his vacation pursuant to the provisions of this Article shall be entitled only to receive vacation pay in

accordance with the collective agreement, prorated for time worked in the vacation year.

- 12.08 In computation of an employee's earnings for the purpose of vacation pay, any vacation pay paid by the Company to the employee during the previous fifty-two (52) weeks shall be included.
- 12.09 Employees shall submit vacation requests on or before March 31st for the next vacation year. The Company will post and maintain a Departmental vacation schedule by **April** 30th. Where more than one (I) employee requests vacation for the same period, seniority will govern. Requests submitted after March 31st will be scheduled on a first come first serve basis. The Company after advising the employee will schedule any outstanding vacation as of January 31st of the current vacation year.

The Company will also allow each employee the ability to request one (1) week of vacation in one (1) day increments, accounted for in hours. The employee will normally give a minimum of one (1) week's notice of such request.

12.10 An employee's pay shall be paid by direct deposit every week and vacation pay will be owed and paid in the week following the actual week taken off, to provide continuous income.

ARTICLE 13 - PLANT HOLIDAYS

13.01 The following plant holidays, regardless of when they fall, will be granted with pay to all employees who have completed their probationary period:

New Year's Day
Good Friday
Labour Day
Labour Day

Victoria Day Thanksgiving Day Canada Day Christmas Day

Boxing Day Three (3) floating Holidays

Attached to this agreement as Schedule "C" is a listing of the dates upon which it is agreed the foregoing holidays will be celebrated during the life of this agreement.

Payment for such holidays shall be based on the employee's regular hourly rate multiplied by the number of hours he would normally have worked on each day.

13.02 To be eligible for holiday pay, an employee must have worked his last full scheduled working day immediately preceding the holiday and his first full scheduled working day immediately following the holiday. **Any** employee on lay-off at the time a holiday falls, must have performed work for the Company within ten (10) days before or within ten (10) days after the holiday to be eligible for pay for such holidays.

An employee receiving Workers' Compensation or Company Weekly Disability benefits for either of the qualifying days shall be paid the difference between the statutory holiday pay and whatever the benefit for that holiday he may receive from either source, provided he has been actively at work with the Company within thirty (30) calendar days immediately preceding the holiday.

13.03 It' an employee works on one of the above named paid holidays, he will receive payment at double time for the time actually worked by him in addition to receiving his holiday pay.

ARTICLE 14 - SENIORITY

14.01 Fundamentally, seniority provisions are designed to provide an employee with an equitable measure of security based on length of service. Seniority, as referred to in this agreement, shall mean length of continuous service in the employ of the Company and shall be on a plant-wide basis.

In cases where more than one employee is hired on the same day, employee clock numbers shall be assigned on a lottery basis. Assignment of clock numbers, when done by the lottery system, will be performed in the presence of a union representative.

14.02 An employee will be considered on probation for the first sixty (60) days worked and will have no seniority rights during that period. For clarification, during the employee's probationary period the employee will not be eligible for Benefits of any kind, Pension Plan participation, Safety Footwear Allowance, Prescription Safety Eyeware, pay for Statutory Holidays until such time as they have successfully completed their Probationary period. However he will be

eligible for COLA during this period of time and responsible for paying union dues. After sixty (60) days worked, his seniority shall date back to the day on which his employment began. A probationary employee may be discharged by the Company for any reason in the discretion of the Company, provided that such reason for termination is not occupational injury, discrimination prohibited by Article 2.05 or lawful union activity not in violation of this Agreement.

- 14.03 The Company agrees that there shall be two seniority lists as follows:
 - a) Skilled Trades Employees
 - b) All other Classifications

Seniority lists will be revised each six months; a copy of the lists will be posted in the plant. If an employee does not challenge the position of his name on his seniority list within the first ten working days from the date his name first appears on the seniority list or if absent from the plant at the time of posting, within the first five (5) working days after his return, then he shall be deemed to have proper seniority standing.

Notwithstanding any other provision of this Article 14, in the event of a layoff, an employee on one seniority list shall not be permitted to bump or otherwise displace any employee on the other seniority list, save and except that an employee having more than five (5) years' seniority with the Company may bump an employee on the other seniority list with less than two (2) years' seniority, provided the employees' skill and ability are sufficient to justify the transfer as per Section 14.06 below.

- 14.04 Layoffs shall be carried out in the following order:
 - a) skill level (moving from lowest to highest);
 - b) seniority within the skill level (plant-wide seniority applied within the skill level). Recalls after layoff will be in the inverse order.
- 14.05APromotions other than appointments to supervisory, field service, T.A. inspector and lead hand positions shall be based upon the following factors:
 - a) skill, competence, efficiency, ability and reliability
 - b) seniority

Where the qualifications in factor (a) are relatively equal, seniority shall govern.

- 14.05BPromotions to field service, T.A. inspector and lead hand positions will be made at the discretion of the Company, taking into account such matters as deportment and communications skills.
- 14.05CThe Company recognizes that leadhands do not have supervisory powers nor do they have the authority to issue disciplinary measures. They are responsible for delegating work and are accountable for advising supervisors of issues on the floor they cannot resolve. In respect to overtime, ultimately the Company is accountable for the distribution. Leadhands are required to act in the absence of the Supervisor to ensure proper functioning of the area.

14.06A In the event of a layoff, the provisions of Article 14.04 will be applied within a department until such time as it would be necessary to layoff employees having more than one (I) year's seniority. In such case, if the employee or employees have more than one (1) year's seniority but wish to transfer to a job in another department and the employee's skill and ability are sufficient tojustify the transfer, arrangements for such transfer will be made wherever possible provided the job in the other department is not held by an employee on a different seniority list.

If the individual chooses to transfer to another department they will be entitled to a ten (10) working day evaluation period in that position. In the event that an employee is unsuccessful in completing the evaluation period, they cannot transfer to another position. The Company maintains sole discretion regarding the outcome of the evaluation.

Irrespective of anything outlined above, transfers invoked as the result of layoffs will not be permitted into or out of the Croman Division.

It is agreed that proper consideration will be given to the employee's seniority. An employee who successfully exercises his seniority in accordance with this provision and who, in so doing avoids a lay-off must return to his original position when given notice of recall to that position.

The Company will advise the employees affected, the appropriate Union Steward and the Plant Chairperson of anticipated layoffs, along with the names of those employees affected, at least five (5) working days prior to the layoff. The

notice period will apply only to the original employees affected and not to subsequent employees utilizing the bumping procedure.

14.06BNotwithstanding any other provisions of this Agreement, in any case where a layoff is required in any department where both component rebuilders and journeyman mechanics are employed, no more than two (2) component rebuilders in the department will be laid off before a journeyman mechanic in the department with less seniority is laid off.

For the purposes of layoff, employees in the classification of Journeyman/Major Component Specialist, component specialists will be in the classification of Component Rebuilder.

- 14.07 Seniority shall accumulate in the following circumstances only:
 - a) when off the payroll due to layoff, sickness or accident in which case seniority will continue to accumulate for two (2) years or length of time worked whichever is shorter.
 - b) when off the payroll due to personal leave of absence, then seniority will continue to accumulate for the period of an authorized leave of absence;
 - c) when absent on vacation or on plant holidays;
 - d) when actually at work for the Company.

- 14.08 Seniority shall terminate and an employee shall cease to be employed by the Company when he:
 - a) voluntarily quits his employment with the Company;
 - b) is discharged and is not reinstated through the grievance procedure or arbitration;
 - c) except in the case of layoff, is off the payroll a continuous period of two (2) years or length of time worked, whichever is shorter, save in the case of an employee who is off the payroll as a result of a compensable accident and/or certified illness who shall retain his seniority for a period of equivalent to the length of time worked or in the case of a compensable accident a minimum of two (2) years;
 - d) is laid off for a period equivalent to his length of time worked;
 - e) fails to signify his intention to return to work within two
 (2) working days after being notified by the Company by registered mail following a lay-off, and failure in fact to return to work within a further five (5) working days, without reason satisfactory to the Company;
 - When the recall is estimated to be for a period of less than six (6) weeks, the employee on layoff will have the right to refuse the recall without jeopardizing future recall rights as defined by this contract;
 - f)fails to return to work upon the termination of the authorized leave of absence without reason satisfactory to the Company;

- g) accepts gainful employment while on a leave of absence without first obtaining the consent of the Company in writing.
- 14.09 a) An employee covered by this Agreement who is transferred to a position outside of the bargaining unit shall be permitted to return to a bargaining unit position with seniority previously acquired if he returns within three (3) months of the transfer. In such circumstances, the Union and the Company agree to waive the job posting provisions of the Collective Agreement. However, no bargaining unit employee shall be displaced from his classification as a result of the move. After three (3) months, such employee may only return to the bargaining unit as a new hire.
 - b) Notwithstanding 14.09 (a), an employee covered by this Agreement who is transferred to the position of Technical Trainer or Technical Communicator outside the bargaining unit shall be permitted to return to a bargaining unit position at any time with his seniority previously acquired. In such circumstances, the Company and the Union agree to waive the job posting provisions of the Collective Agreement. However, no bargaining unit employee shall be displaced from his classification as a result of the move.
- 14.10 It shall be the duty of each employee to notify the Company promptly of any change in address. If an employee fails to do this, the Company will not be responsible for failure of a notice to reach such employee.

- 14.11 Any employee's reinstatement after sick leave will be conditional on his supplying, when requested, a certificate from a physician that he is fully recovered from his sickness which caused his absence. The Company agrees to pay for medical certificates upon presentation of a valid receipt by the employee **up** to a maximum of thirty dollars (\$30.00).
- 14.12 In cases of layoffs, the Chairperson of the Plant Committee and stewards will not be laid off as long as there is work and as long as they are willing and qualified to perform it, regardless of seniority.
- 14.13 For the purposes of this Article, the Departments are as follows:
 - 1. Tractor Shop
 - 2. Manual Welding
 - 3. Undercarriage Rebuild
 - 4. Paint Shop
 - 5. Tractor Field Service
 - 6. Industrial Engine Shop
 - 7. Industrial Field Service
 - 8. Truck Shop
 - 9. Reman Engine Shop
 - 10. Reman Transmission and Hydraulic Pumps
 - 11. Reman Machine Shop and Hydraulic Cylinders
 - 12. Parts Warehouse and Material Handling to include Truck and Industrial
 - 13. Reman Parts and Material Handling
 - 14. Woodward Governor Repair and Service
 - 15. Reman Engine Machine Shop
 - 16. Lube Truck

ARTICLE 15 - TEMPORARY TRANSFERS

- 15.01 Any employee who, for the convenience of the company is temporarily transferred to another job classification in which the rate of pay is different from that in effect on such employee's regular job, shall be paid, while so employed, as follows:
 - a) If the rate of pay for the job classification to which he is transferred is less than the employee's regular pay, he shall receive his own higher rate of pay;
 - b) If the rate of pay for the job classification to which he is transferred is higher than the employee's regular pay, he shall receive the higher rate of pay for the job to which he is temporarily transferred.

Notwithstanding the above, the provisions of 15.01 a) & b) do not apply to Apprentice employees who may be assigned to assist a Field Mechanic out of the shop. In such case, the Apprentice will be paid a percentage of the Field Service Level 2 (Classification 12) rate as follows, based on their current status:

Apprentice Level 1 70% Apprentice Level 2 80% Apprentice Level 3 90%

15.02 An employee who, for the convenience and benefit of the employee, is temporarily transferred to another job classification instead of being laid off due to lack of work,

breakdown of machinery, or other like cause, shall be paid, while so employed as follows:

- a) if the rate of pay for the job classification to which he is transferred is less than the employees' regular rate of pay, he shall receive the lower rate paid on the job to which he is transferred.
- b) if the rate of pay for the job classification to which he is transferred is higher than the employee's regular pay, he shall receive the higher rate of pay except in job classifications where more than one level of competence is established in which case he will receive the first level of the job title to which he is assigned.
- 15.03 A temporary transfer made pursuant to Section 15.01 other than those made for the purpose of filling a job because of sickness, accident or a leave of absence, shall not exceed thirty (30) working days. The Union will be given written notice of all temporary transfers expected to last in excess of one (1) week.

ARTICLE 16 - LEAVE OF ABSENCE

- 16.01 The Company may grant leave of absence without pay and without loss of seniority to employees, retroactive when necessary, for legitimate personal reasons provided that this discretion shall not be used in an arbitrary manner.
- 16.02 The Company will grant leave of absence without pay to not more than three (3) employees to attend Union conventions and conferences for a period or periods not exceeding in the

aggregate five (5) working days for any one employee in any one calendar year provided this shall not interfere with the efficient operation of the Company and further provided that the Company is requested in writing for such leave of absence at least two (2) weeks before such anticipated leave. The Company may grant an extension of the five (5) working days referred to under this clause provided such an extension does not unreasonably interfere with the efficient operation of the plant, and further provided that the Company is requested in writing for such extension at least two (2) weeks before such anticipated leave.

16.03 The Company agrees to abide by the Employment Standards Act for pregnancy leave of absence.

ARTICLE 17 - BULLETIN BOARDS

17.01 The Company will allow officially signed Union bulletins to be posted on bulletin boards to be provided for the sole use of the Union after such notices have been approved by the Manager of Industrial Relations or his designate.

ARTICLE 18 - REPORTING PAY AND CALL-IN ALLOWANCE

18.01 An employee who reports in accordance with his assigned schedule shall be given a minimum of four (4) hours work, or if no work can be provided he shall be paid for four (4) hours at the applicable rate unless he has been previously notified by the Company not to report for the shift in question. This provision shall not apply if the failure to receive notice was caused by the employee's absence on the previous day or if

the failure to provide work is caused by reason of machinery breakdown, fire, flood, power failure or other causes beyond the control of the Company, or if it is due to absence of other employees in his Department.

18.02 An employee who was called into work having completed his regular shift and left the plant premises, or who is called into work on his scheduled day off, shall be paid at the appropriate rate for hours worked and shall be guaranteed a minimum of four (4) hours pay at his straight time hourly rate.

ARTICLE 19 - JOB POSTING

19.01 All permanent vacancies in new classifications and in existing classifications shall be posted in the plant for a period of five (5) working days and any employee in the bargaining unit may make application for such vacancy. In the event an employee successfully fills a vacancy in a lower rated classification they shall be precluded from applying for any new vacancy for a period of two (2) years. In the filling of the vacancies, the Company shall not be limited to selecting employees who have made application, but the Company shall be subject to the same limitations as set forth in Articles 14.05A or 14.05B, whichever is applicable relating to cases of promotion. Nothing herein shall prevent the Company from hiring persons from outside the bargaining unit when no qualified employee applies. Any vacancy may be tilled at the discretion of the Company on a temporary basis after prior consultation with the Plant Committee or a member thereof. In the event that an employee has been selected to fill such a permanent vacancy, then at any time within five (5) workings days after being assigned to such vacancy he may elect to

revert to his old classification, and if he does so then he shall be precluded from applying for any new vacancy for a period of six (6) months.

All vacancies which may occur as a result of having filled the original vacancy shall be filled at the discretion of the Company, and shall also be posted.

It is agreed that the Company shall notify all qualified applicants of their interview date within five (5) working days after the posting procedure is completed. The name of the successful applicant, if any, shall he posted within five (5) working days of completion of the interview process. If no person is selected to fill the posting, then this result will also be posted.

Any permanent vacancy not filled within three months that continues to exist shall be reposted.

ARTICLE 20 - INJURY ON THE JOB

- 20.01 An employee injured at work shall be paid his occupational rate in full for the day of the accident if he is unable to resume work and does not receive pay from the Workplace Safety and Insurance Board for this day.
- 20.02 The Company shall provide transportation and pay for the time spent by employees during their regular shift hours for medical treatment required as a result of an industrial accident or industrial disease which occurred in the course of employment with the Company.

- 20.03 It is agreed and understood between the parties that the Company shall not be responsible for the payment of such time and transportation which is compensated by the Workplace Safety and Insurance Board.
- 20.04 Where an employee has an issue concerning the status of their WSIB claim, the Plant Chairperson can request a meeting between the employee, himself and the appropriate Human Resources staff to discuss the issues associated with the employees claim.

ARTICLE 21 - WORK LIMITATION

- 21.01 Employees not included in the bargaining unit shall not perform work normally assigned to employees included in the bargaining unit except under the following conditions:
 - a) instruction or training of employees;
 - b) in the performance of necessary work when difficulties or emergencies are encountered on the job;
 - c) when it is necessary to meet emergency requirements to customers and normal direct labour is unavailable (after the Company has made reasonable effort to inform the regular employee that such work is available);
 - d) where a job has to be performed outside of standard work hours which it is expected will require less than one hour to complete. Similar jobs must not accumulate to more than one hour per day.

- e) From time to time a non-bargaining unit employee may assist a bargaining unit employee with a task or assist a customer with a task generally performed by a bargaining unit employee, however, the use of non-bargaining unit employees as per Article 21.02 will not be used in a manner to circumvent the application and intent of this Article.
- f) where the company uses outside contractors to perform work normally performed by the bargaining unit, in either the Weld or Paint Shops, it will notify the Union if it is anticipated that the work will last more than forty (40) consecutive hours.

ARTICLE 22 - JURY DUTY

- 22.01 Any employee who is required to serve on a jury or who has been subpoenaed as a Crown Witness shall be paid the difference between the amount paid for such service and his normal pay computed at his normal hourly rate for hours lost from work up to forty (40) hours in a week subject to the following provisions:
 - a) Employees must notify their Supervisor within one (I) working day after receipt of notice of selection for Jury Duty or after having been subpoenaed as a Crown Witness.
 - b) Any employee called for Jury Duty or having been subpoenaed as a Crown Witness and who is temporarily excused from attendance at Court, must report for work if a reasonable period of time remains to be worked in his shift.

c) Employees selected for Jury Duty or who have been subpoenaed as a Crown Witness and who are on other than the day shift, shall be assigned to the day shift for those days they are required to serve as jurors, or serve in the capacity of Crown witnesses. Where an employee is excused from duty early and serves only a partial day, the employee is required to work or make up that time as per agreement with the supervisor.

In order to be eligible for such payments, the employee must furnish a written statement from the proper public official, showing the date and time served, and the amount of pay received.

ARTICLE 23 - BEREAVEMENT PAY

- 23.01 a) The Company agrees that in the event of a death of an employee's spouse or child, it will grant live (5) working days leave of absence with pay to a maximum of 40 hours at the employee's straight time hourly rate immediately following the notification of death.
 - b) The Company agrees that in the event of a death of a member of the employee's immediate family, it will grant three (3) working days leave of absence with pay at the employee's straight time hourly rate immediately following the notification of death. The term "immediate family" means parent, brother, sister, parent-in-law, stepbrother, stepsister and grandparent.

ARTICLE 24 - REST AND WASH-UP PERIODS

- 24.01 The Company will allow a period of five minutes for the purpose of washing up, putting away tools prior to the end of the first half and last half of each shift.
- 24.02 There shall be one ten minute rest period in this first half of each shift and one ten-minute rest period in the second half of each shift. The time the rest periods are to be taken is to be determined by management, but so that they will be approximately in the middle of each shift.

ARTICLE 25 - BENEFITS

25.01 Schedule "B" hereto headed Benefits is hereby made part of this agreement.

ARTICLE 26 - COST OF LIVING ALLOWANCE

26.01 Schedule "D" hereto headed Cost of Living Allowance is hereby made part of this agreement.

ARTICLE 27 - PAID EDUCATION LEAVE

27.01 The Company agrees to pay into a special fund one cent (I cent) per hour per employee for all compensated hours for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, CAW and sent by the

Company to the following address: Canadian Paid Education Leave Training Programme, P.O. **Box** 897, Port Elgin, Ontario NOH 2C0.

The Company further agrees that up to two (2)members of the bargaining unit, selected by the union to attend such courses, will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave.

Employees on Paid Education Leave will continue to accrue seniority and benefits during such leave.

No more than two (2) employees will be involved in any twelve (12) month period unless mutually agreed.

ARTICLE 28 - HEALTH AND SAFETY

- 28.01 A Safety Committee to include representatives of the bargaining unit and representatives of management will be constituted and operate under provisions of the Occupational Health & Safety Act. If a change occurs to Health & Safety legislation during the term covered by the 2003 Collective Agreement that leaves the workers without the right to refuse unsafe work, then the Company will work with the Health & Safety Committee to develop policies and procedures to protect the workers.
- 28.02 Upon ratification, the Company will contribute towards the cost of safety shoes for each employee the sum of \$120.00 per year with a further allowance of \$120.00 per year for a second

pair of safety shoes where the Company considers this necessary. This will increase to \$125.00 per year effective July 1st, 2004, and \$130.00 per year effective July 1st, 2005. A year for the purpose of this provision shall be an agreement year, i.e., July 1 to June 30th inclusive.

28.03 Any employee who has been incapacitated at his work by injury of compensable occupational disease while employed by the Company, or suffers a physical or mental disability as defined by his physician, and confirmed by the Company physician, and such disability restricts him in the performance in the work of his normal classification will be employed in other work on a job that is operating in the plant which he can do without regard to any seniority provisions of this Collective Agreement, except that such employee may not displace an employee with longer seniority. The above exceptions shall be made by agreement between the Company and the Bargaining Committee.

ARTICLE 29 - NEGOTIATING COMMITTEE

29.01 The Company will compensate up to five (5) employee Members of the Bargaining Committee for the time spent during regular working hours in negotiating with the Company representatives for renewal of the Collective Agreement up to a maximum of 20 working days. If the parties meet for part of a day, the Bargaining Committee shall be compensated for the full day. The Company will pay the cost of a meeting room during collective agreement renewal negotiations.

ARTICLE 30 - SEVERANCE ON PLANT CLOSURE

30.01 In the event that all or part of the Company's Concord operations are closed, the Company agrees to provide to each regular employee who is permanently laid off as a result of the closure and who has not been offered alternate employment within the Concord operation with severance pay as per the following schedule:

Employees with less than 10 years of service:

- 60 hours pay per year of service.

Employees with between 10 and 20 years of service:

- As above plus an additional 10 hours pay per year of service for each year between 10 and 20 years.

Employees with greater than 20 years of service:

- Will receive those entitlements outlined above plus 80 hours pay per year of service for each year in excess of 20 years.

For purposes of this Article, "part" shall be recognized as defined in Article 14.13.

The foregoing severance payments will be inclusive of and not in addition to all severance pay requirements of the Employment Standards Act of Ontario as it may be amended from time to time or any other applicable legislated severance pay requirements.

The Union and the Company dispute the interpretation of this provision, specifically the entitlement for those employees with greater than 20 years σ service. The Company has sent a letter to John Amato, attached hereto, identifying this situation

ARTICLE 31. TERMINATION

31.01 This agreement shall remain in force up to and including the 30 th day of June 2006, and shall continue in force from year to year thereafter unless in any year not more than ninety (90) days, and not less than thirty (30) days before the date of its termination, either party shall furnish the other with notice of termination of, or proposed revision of this agreement.

IN WITNESS WHEREOF each of the parties hereto has caused this agreement to be signed by its duly authorized representatives as of the date and year first above written.

For the Company	For the Union
B. Sleva	P. Kessig, National Representative
R. MacNeill	J. Kennedy
A. Smith	H. Niepalla
B. Medeiros	N. Sinclair
	F. Karim
	M. Cornwall
	S. Wierzbicki

SCHEDULE "A"—WAGES AND CLASSIFICATIONS

		Effectiv	re
Classificat	tion Job Title	July 1, 2003	
		Non Skilled	Skilled
1	General Labour	\$18.04	
2	Partsman Level 1		
	Material Handler (Reman)	\$19.01	
3	Parts Cleaner (Reman)	\$19.40	
4	Fork Truck Operator Yard Labour Partsman Level 2	\$19.64	
5		\$19.86	
6	Tool Crib Attendant	\$20.41	
7	Machine Operator	\$21.65	
	Undercarriage Rebuilder	·	
	Painter		\$23.44
8	Industrial Wireman		\$25.43
	Welder		
	Machine Operator (Reman)		
9	Maintenance Mechanic		\$25.77
10	General Maintenance	\$25.28	
	Journeyman Mechanic		
	Journeyman/Major Component	Specialist	\$26.67
	Welder/Fitter		
	Engine Generator System Tech	nıcıan	
	General Machinist (Reman)		
11	Field Service Level 1		\$27.43
	T.A. Inspector		
12	Field Service Level 2 (Tractor & Senior T.A. Inspector	& Industrial)	\$28.31
13	Field Service Level 3 (Tractor &	k Industrial)	\$29.12

SCHEDULE "A"-WAGES AND CLASSIFICATIONS

		Effectiv	e
Classificat	ion Job Title	January 1,	2004
		Non Skilled	Skilled
1	General Labour	\$18.04	
2	Partsman Level 1 Material Handler (Reman)	\$19.01	
3	Parts Cleaner (Reman)	\$19.40	
4	Fork Truck Operator Yard Labour Partsman Level 2	\$19.64	
5		\$19.86	
6	Tool Crib Attendant	\$20.41	
7	Machine Operator Undercarriage Rebuilder	\$21.87	\$23.67
	Painter		
8	Industrial Wireman Welder Machine Operator (Reman)		\$25.68
9	Maintenance Mechanic		\$26.03
10	General Maintenance Journeyman Mechanic Journeyman/Major Componen Welder/Fitter	_	\$26.94
	Engine Generator System Tech General Machinist (Reman)	nnician	
11	Field Service Level 1 T.A. Inspector		\$27.70
I2	Field Service Level 2 (Tractor Senior T.A. Inspector	& Industrial)	\$28.59
13	Field Service Level 3 (Tractor	& Industrial)	\$29.41

SCHEDULE "A"—WAGES AND CLASSIFICATIONS

Effective

		Liiccu	•
Classifica	tion Job Title	July 1, 2004	
		Non Skilled	Skilled
1	General Labour	\$18.04	
2	Partsman Level 1	\$19.01	
	Material Handler (Reman)		
3	Parts Cleaner (Reman)	\$19,40	
4	Fork Truck Operator	\$19.64	
	Yard Labour		
	Partsman Level 2		
5		\$19.86	
6	Tool Crib Attendant	\$20.41	
7	Machine Operator	\$22.31	
	Undercarriage Rebuilder		\$24.14
	Painter		
8	Industrial Wireman		\$26.19
	Welder		
	Machine Operator (Reman)		
9	Maintenance Mechanic		\$26.55
10	General Maintenance	\$26.04	
	Journeyman Mechanic		
	Journeyman/Major Component	Specialist	\$27.48
	Welder/Fitter		
	Engine Generator System Techn	nician	
	General Machinist (Reman)		
11	Field Service Level 1		\$28.25
	T.A. Inspector		
12	Field Service Level 2 (Tractor &	& Industrial)	
	Senior T.A. Inspector		\$29.16
13	Field Service Level 3 (Tractor &	& Industrial)	\$30.00

SCHEDULE "A"—WAGES AND CLASSIFICATIONS

Effective Classification Job Title January 1, 2005 Non Skilled Skilled \$18.04 General Labour 1 2 Partsman Level 1 Material Handler (Reman) \$19.01 Parts Cleaner (Reman) \$19.40 3 4 Fork Truck Operator \$19.64 Yard Labour Partsman Level 2 5 \$19.86 6 Tool Crib Attendant \$20.41 7 \$22.53 Machine Operator Undercarriage Rebuilder Painter \$24.38 Industrial Wireman 8 \$26.45 Welder Machine Operator (Reman) \$26.82 9 Maintenance Mechanic 10 \$26.30 General Maintenance Journeyman Mechanic Journeyman/Major Component Specialist \$27.75 Welder/Fitter Engine Generator System Technician General Machinist (Reman) 11 Field Service Level 1 \$28.53 T.A. Inspector 12 Field Service Level 2 (Tractor & Industrial) \$29.45 Senior T.A. Inspector

Field Service Level 3 (Tractor & Industrial)

\$30.30

13

SCHEDULE "A"-WAGES AND CLASSIFICATIONS

Effective

		Effective	e	
Classification Job Title		July 1, 2005		
		Non Skilled	Skilled	
1	General Labour	\$18.04		
2	Partsman Level 1			
	Material Handler (Reman)	\$19.01		
3	Parts Cleaner (Reman)	\$19.40		
4	Fork Truck Operator Yard Labour			
	Partsman Level 2	\$19.64		
5		\$19.86		
6	Tool Crib Attendant	\$20.41		
7	Machine Operator	\$22.98		
	Undercarriage Rebuilder Painter		\$24.87	
8	Industrial Wireman		\$26.98	
	Welder			
	Machine Operator (Reman)			
9	Maintenance Mechanic		\$27.36	
10	General Maintenance	\$26.83		
	Journeyman Mechanic			
	Journeyman/Major Componer Welder/Fitter	nt Specialist	\$28.31	
	Engine Generator System Tec	hnician		
	General Machinist (Reman)			
1 I	Field Service Level 1		\$29.10	
	T.A. Inspector			
12	Field Service Level 2 (Tractor	& Industrial)	\$30.04	
	Senior T.A. Inspector			
13	Field Service Level 3 (Tractor	& Industrial)	\$30.91	

SCHEDULE "A"—WAGES AND CLASSIFICATIONS

		Effectiv	e
Classifica	tion Job Title	January 1,	2006
		Non Skilled	Skilled
1	General Labour	\$18.04	
2	Partsman Level 1	\$19.01	
	Material Handler (Reman)		
3	Parts Cleaner (Reman)	\$19.40	
4	Fork Truck Operator	\$19.64	
	Yard Labour		
	Partsman Level 2		
5		\$19.86	
6	Tool Crib Attendant	\$20.41	
7	Machine Operator	\$23.21	
	Undercarriage Rebuilder		\$25.12
	Painter		
8	Industrial Wireman		\$27.25
	Welder		
	Machine Operator (Reman)		φαπ. <i>(</i> α
9	Maintenance Mechanic		\$27.63
10	General Maintenance	\$27.10	
	Journeyman Mechanic Journeyman/Major Component	Charielist	\$28.59
	Welder/Fitter	. Specialist	φ20,37
	Engine Generator System Tech	nician	
11	Field Service Level 1		\$29.39
	T.A. Inspector		
12	Field Service Level 2 (Tractor a	& Industrial)	\$30.34
	Senior T.A. Inspector		
13	Field Service Level 3 (Tractor &	& Industrial)	\$31.22

- NOTE 1. All new entrants after February 7, 1997 into the Apprenticeship program will be covered under the following plan:
 - The position of Apprentice Journeyman Mechanic..... will have a wage rate set at 70% of Journeyman Mechanic, classification 10,
 - The position of Apprentice Journeyman Mechanic Level 2will have a wage rate set at 80% of Journeyman Mechanic, classification 10,
 - The position of Apprentice Journeyman Mechanic Level 3.....will have a wage rate set at 90% of Journeyman Mechanic, classification 10.
- NOTE 2. All incumbents as of February 8, 2000 in the Partsman Level 4 position will be grandfathered (i.e., they will remain at the current wage rate of classification 6).
- NOTE 3. All incumbents as of February 8, 2000 in the Material Handler (Reman) position will be grandfathered (i.e., they will remain at the current wage rate of classification 5).
- NOTE 4. Progression through the various levels of the Apprenticeship Program will be in accordance with the Company Policy.
- NOTE 5. All new entrants after July 1, 2003 into the Reman program will be covered under the following plan:
 - The position of Level 1 Component Rebuilder......will have a wage rate set at 65% of Journeyman/Major Component Specialist, Classification 10

- The position of Level 2 Component Rebuilder... will have a wage rate set at 70% of Journeyman/Major Component Specialist, Classification 10
- The position of Level 3 Component Rebuilder... will have a wage rate set at 85% of Journeyman/Major Component Specialist, Classification 10

Progression will be in accordance with the Company Policy on Reman Progression.

NOTE 6. All Reman employees as of June 30, 2003 in the positions of Apprentice Mechanic, Jr. Component Rebuilder and Component Rebuilder will be grandfathered at their current rate of pay and will progress as per previous policy.

WAGES

Effective July I, 2003, all wage rates in Classifications 7 and above, in effect June 30, 2003 will be increased by 2.0%. All employees hired before July 1, 2003 in Classifications I through 6 will receive an increase equivalent to 2% of their hourly wage rate (exclusive of premiums) in effect June 30, 2003 added to the existing COLA float.

Effective January 1, 2004, all wage rates in Classifications 7 and above will be further increased by 1%. All employees hired before July 1, 2003 in Classifications 1 through 6 will receive a further increase equivalent to 1% of their wage as noted above added to the existing COLA float.

Effective July 1, 2004, all wage rates in Classifications 7 and above will be further increased by 2%. All employees hired before July 1, 2003 in Classifications 1 through 6 will receive a further increase equivalent to 2% of their wage as noted above added to the existing COLA float.

Effective January 1, 2005, all wage rates in Classifications 7 and above will be further increased by 1%. All employees hired before July I, 2003 in Classifications 1 through 6 will receive a further increase equivalent to 1% of their wage as noted above added to the existing COLA float.

Effective July I, 2005, all wage rates in Classifications 7 and above will be further increased by 2%. All employees hired before July I, 2003 in Classifications 1 through 6 will receive a further increase equivalent to 2% of their wage as noted above added to the existing COLA float.

Effective January 1, 2006, all wage rates in Classifications 7 and above will be further increased by 1%. All employees hired before July 1, 2003 in Classifications 1 through 6 will receive a further increase equivalent to 1% of their wage as noted above added to the existing COLA float.

Nothwithstanding the above, Reman employees will not be eligible for any wage increase in a given contract year, if in the previous year their team did not reach all of their Productivity Requirements as outlined in Letter of Understanding 13. For the purposes of this clause, a team has reached all of their Productivity Requirements when in all categories the total incidents for the previous year is less than twelve (12)

times the number of allowable incidents per month. In Year I of the contract, recording of incidents will commence at the beginning of the fourth (4) month and the maximum allowable incidents will be nine (9) times the number of allowable incidents per month per category.

For all employees hired prior to July 1, 2003 and for the duration of this contract the COLA float in effect as of June 30, 2003 will remain frozen and treated as a float.

SCHEDULE"B"

BENEFITS

- I. The Company agrees upon ratification to pay for the term of this agreement, the cost of premiums for a Weekly Indemnity insurance plan with the weekly benefits equivalent to 66 2/3% of the employees base earnings up to a maximum of \$575.00, \$600.00 effective July 1st, 2004 and \$625.00 effective July 1st, 2005 for a period of fifty-two (52) weeks payable on the first day of disability resulting from non-occupational accidents and on the fourth day of disability resulting from sickness.
- 2. The Company agrees to pay the premiums for a group Life Insurance Plan with a benefit equal to one times base annual wage for each employee
- 3. The Company agrees to pay for the term of this agreement, the cost of a Major Medical and Drug Plan to include a prescription drug plan based on a .35 cents deductible. It is agreed that this

coverage shall be equivalent to the overall coverage in place as of June 30, 2003 and shall be provided through a carrier selected by the Company. The Major Medical will include out-of-province and out-of-country coverage.

The Company also agrees to provide and pay the cost **of** the premiums for an Extended Health Plan covering physiotherapy and paramedical practitioners to a maximum of \$500.00 per practitioner per year.

4. The Company agrees to continue to pay the premium cost of a dental plan which provides basic dental care and specified restorative services equivalent to the overall coverage in place as of June 30, 2003 and shall be provided through a carrier selected by the Company. Upon ratification, benefit payments shall be in accordance with the 2002 Ontario Dental Association Schedule of Fees. Effective July 1st, 2004 benefit payments shall be in accordance with the 2003 Ontario Dental Association Schedule of Fees. Effective July 1st, 2005 benefit payments shall be in accordance with the 2004 Ontario Dental Association Schedule of Fees.

The Company agrees to pay the cost of the premium to provide a 50% co-payment Orthodontic Plan with a lifetime maximum of \$1,500.00 per child.

The Company agrees to pay the cost of the premium to provide a 50% co-payment Major Restorative Dental Plan with a yearly maximum of \$1,000.00 per person.

5. The Company agrees to pay the cost of cleaning of coveralls.

- 6. The daily meal allowance for field service for field service where applicable will be up to \$45.00 supported by receipts.
- 7. All bargaining unit employees must be enrolled in the Toromont Pension Plan, The employee has flexibility on how much they can contribute as outlined in the current Company Policy Manual. The Company will guarantee a minimum of 50% of the employees' contribution. Additional Company contributions shall be made to the Plan based on Company profitability as outlined in the Company Policy Manual. All employees who wish to retire after reaching the age of 60 and were above the age of 50 and employed by Toromont as of February 8, 1997 will be guaranteed a minimum pension of \$15.00 per month per year of service provided the employee contributed to the maximum limit defined by the plan up to retirement.

As of February 1997, current retirees will also be eligible for the guaranteed minimum \$15.00 per month per year of service benefit, actuarially factored to the CWIPP "Life Only Option" and "Joint and Survivor Option" selected at retirement. It is also agreed that the Company Policy of mandatory retirement will be at the age of sixty-five (65).

For those employees who wish to retire after the age of sixty (60) and have a minimum of twenty (20) years seniority, the Company will pay the premium cost for the following insurance plan benefits, until the retiree reaches the age of sixty-five (65): group life insurance, major medical and drug plan, extended health plan, vision plan and dental plan. This coverage is only applicable to employees who retire after February 8, 2000.

It is agreed that the Company Policy of mandatory retirement will be at the age of sixty-five (65).

- 8. The Company agrees to provide Parkas, Raingear and Gloves for the following groups of employees, provided they are required to work outside.
 - Yard Crew
 - 2. Machine Operator
 - 3. Yard Used Equipment Mechanic
 - 4. All Maintenance Department Personnel

In addition two (2) medium and large Parkas will be available in the tool cribs.

 The Company agrees to pay the premium cost of a Vision Plan to provide \$185.00 for prescription glasses per family member every two years.

Effective July 1st, 2004, this benefit will increase to \$190.00 per family member every two years.

Effective July 1st, 2005, this benefit will increase to \$200.00 per family member every two years.

- 10. The Company will pay the premium cost for an Extended Disability Plan providing a benefit of \$2,000.00 per month. Maximum length of coverage for eligible employees to be equal to employees' length of continuous service less one (1) year. Benefits to end at age sixty-five (65).
- Employees are permitted to purchase additional insurance coverage from the Company or coverage provider, as offered from time to time.

SCHEDULE "C"

PLANT HOLIDAYS

	2003	2004	2005	2006
New Year's Day		Jan.1	Jan.I	Jan.1
Good Friday		April 9	April 29	April 21
Victoria Day		May 24	May 23	May22
Canada Day	July 1	July 1	July I	
Civic Day Holiday	Aug. 4	Aug. 2	Aug. 1	
Labour Day	Sept. I	Sept. 6	Sept. 5	
Thanksgiving Day	Oct. 13	Oct. I	Oct. 10	
Christmas Day	Dec. 25	Dec. 25	Dec. 25	
Boxing Day	Dec. 26	Dec. 26	Dec. 26	
Floating Holidays	S	ee Note Belo	W	

Should Canada Day be generally celebrated by the Company's customers and suppliers on a date different from that shown above, this schedule shall be amended accordingly to conform with such scheduling.

NOTE: The three (3) floating holidays are normally scheduled to provide a continuous period of rest between Christmas Day and New Year's Day without loss of basic pay. No employee shall be entitled to receive more than 48 hours of pay at his regular hourly rate (or 50 hours of pay in the case of individuals regularly scheduled to work 10 hours per day on a four day week) for the period from Christmas Day to New Year's Day inclusive. Each employee will be required to reschedule one of his floating holidays to a day other than during the Christmas period. In addition an employee may reschedule any or all of his remaining floating holidays. The

employee wishing to do so must notify the Company, in writing, no later than December 1st of his request and the Company shall respond within five (5) working days. The employee will be entitled to an equal amount of day(s) off at a mutually agreeable time provided he gives the Company a minimum of seven (7) days notice.

SCHEDULE "D"

COST OF LIVING ALLOWANCE

THE TERMS OF THIS "SCHEDULE" WILL REMAIN SUSPENDED UNTIL SUCH TIME AS THE UNION AND THE COMPANY AGREE OTHERWISE.

Upon ratification, the Company agrees to pay a cost of living allowance for all employees. The allowance will be calculated on the basis of one cent (1 cent) per hour worked for each .073625 change in the Consumer Price Index (Canada All Items 1992 = 100).

The first allowance, effective February 8th, 2000, will be based on the change in the Consumer Price Index from the September 1999 figure to the figure for December 1999 and will be adjusted quarterly thereafter from the base figure for September 1999. It is agreed that this allowance, if any, will be paid as an add-on and will include paid time off ie Holidays & Vacations.

The allowance shall continue to accumulate for the duration of the agreement, adjusted quarterly, up or down, with the movement in the Consumer Price Index.

LETTERS OF UNDERSTANDING

TOROMONT CAT, A DIVISION OF TOROMONT INDUSTRIES LTD.

hereinafter designated as the "Company" OF THE FIRST PART;

- and -

THE NATIONAL AUTOMOBILE, AEROSPACE AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA) and it's LOCAL 112.

hereinafter designated as the "Union" OF THE SECOND PART.

- These letters of understanding shall be attached to and form part of the Collective Agreement made and entered into on this date between the Company and the Union.
- The Company will replace for equal value the tools of any employee which are broken or stolen while on Company business, provided they were not broken or stolen through personal neglect or carelessness on the part of that employee.
 - It is also understood that each case will be treated individually by the employee's supervisor and at the discretion of that supervisor.
- 3. The Company agrees that any employee who has been denied sickness and accident benefits will be entitled to file a grievance with respect to such denial, and further the Company agrees to provide the Union Plant Chairperson access to the insurance carrier concerning sickness and accident disputes.
- 4. The Union acknowledges that the Company determines the number of Lead Hands it requires from time to time. Leadhands will be paid a premium of \$1.00 for each hour worked.

- 5. Any employee who accepts alternate employment as defined in Article 30 and who is unable to successfully perform the requirements of the new job, shall he entitled to receive those severance benefits as outlined in Article 30.
- 6. Except where prohibited by law, whenever the Company transfers operations or departments (in whole or in part) from any Plant covered by this Agreement to another facility within 30 kilometers of the existing Concord facility, employees engaged in such operations or employed in such departments will be transferred to the new plant to fill all available positions (per Schedule "A"), with their full Company seniority, vacation and pension rights as provided for in this Agreement on the basis of length of service and skill and ability to perform the duties for the positions to be filled. All employees who are displaced from their classification level, will be offered a severance package as per the provisions of Article 30.

Whenever the Company transfers operations or departments (in whole or in part) from any Plant covered by this Agreement to another facility beyond 30 kilometers of the existing Concord facility, employees engaged in such operations or employed in such departments may, if they so desire, be transferred to the new plant with their full Company seniority, vacation and pension rights as provided for in this Agreement. All available positions (per Schedule "A") shall he filled on the basis of length of service and skill and ability to perform the duties for the positions to he filled. Any employees who do not wish to accept this transfer or who are displaced by the transfer of operations from their classification level, will he offered a severance package as per the provisions of Article 30.

Any employee who chooses to take severance **pay** shall be deemed to have terminated their employment with the Company.

7. Should a work-sharing agreement be agreed on between the Company and the Union in lieu of lay-offs, employees affected by such an agreement will not be required to work less than 32 hours per week. In the event that reductions to less than 32 hours per week are required, lay-offs will be invoked.

8. Summer Students, CO-OP Students and Trainees

- a) To provide opportunities for summer vacation the Company shall have the right to hire students to fill bargaining unit jobs at 75% of the classification 1 General Labour rate of pay during the period commencing one month prior to the Victoria Day holiday until August 31.
- b) For the benefit of supporting college technical trainees (CO-OP students) to develop their skills base in a practical setting, the Company shall have the opportunity to hire no more than fourteen (14) CO-OP students from the Sir Sanford Fleming heavy equipment program to work in conjunction with our skilled trades journeymen during the period between May I and August 31 at 60% of the classification 10 Journeyman Mechanic rate of pay.
- c) Non-bargaining unit trainees, for the purpose of acquiring knowledge of the Company, its products, and services, subject to the Local Union's approval shall be allowed to work in conjunction with bargaining unit employees up to a maximum of two (2) weeks in any given department per trainee.

- d) Notwithstanding the above, the following conditions shall apply:
- 1) Summer students and college technical trainees shall pay Union dues according to the CAW constitution.
- 2) Summer students and CO-OP students shall be permitted to work overtime only after it has been refused by the bargaining unit employees who normally perform that work have refused it.
- Summer students employment shall only be permitted provided vacation periods during that term be increased in order to allow permanent employees a greater selection of vacation periods.
- 4) Summer employment shall be open to all children of bargaining unit employees provided they are a full time high school senior or attending college/university. Selection shall be done by random draw from all qualified applicants.
- No bargaining unit employee will be laid-off or have their regular scheduled work day or regularly scheduled work week reduced while using either summer students or co-op students in that department.
- 6) Summer students or co-op students will not be permitted in a department if that department has any bargaining unit employee on lay-off status.
- 9 a) Workers hired prior to February 8, 2000 will not be required to rotate into Shifts 4 and 5 more than ten (10) times in each year of the contract.

The total number of employees scheduled to Shifts 4 and 5 combined at any one time will not exceed the number indicated in the table below:

Department	Year 1	Year2	Year3
Reman	8	9	10
Concord Tractor Service	14	15	16
Truck Division	8	9	10
Power Division	5	6	7
Warehouse	6	7	8

- b) During the term of this agreement, the Company will not require any current employee to serve on Shift 5 in any department with the exception of Industrial Field Service.
- c) During the term of this agreement, the Company will not require any current employee to serve on Shift 3 in any department.
- 10. A productivity improvement of 10% over June 30, 2000 in the warehouse continues to be expected.

Productivity improvements will only be considered to have been realized when coupled with the achievement of the WAREHOUSE STANDARDS on a consistent basis. These acceptable standards of performance in the Warehouse include amongst other things;

- 1. superior service to our customers and our branch operations
- 2. accuracy
- 3. quality
- 4. cleanliness
- 5. attendance and punctuality
- 6.adherence to the principles of "proper inventory management"

11. REMAN PRODUCTIVITY

REMAN has several issues that are different from the standard type of repair facility/shop at Concord.

- 1) We operate in a semi-manufacturing environment.
- 2) We lack an enthusiasm to meet the goals and objectives required to justify the existence of the business.
- 3) We seem to have some old standing employee/ union/management issues that inhibit our ability to operate with efficiency, consistent quality and a focus on customer service.

We will create 10 Teams, co-ordinated and supporting the objectives of one another to meet our customers' needs. We will establish and communicate our objectives. We will measure and report our progress toward meeting these objectives.

The 10 teams will be:

- 1. Engine Assembly
- 2. Transmission and Fluid Power
- 3. Hydraulic Cylinders
- 4. Machine Shop Hydraulics
- 5. Material Handling and Paint
- 6. Machine Shop Engine
- 7. Cylinder Heads
 - Short Blocks
- 9. Fuel Lab
- I0. Pistons, Rods, Liners, Water Pumps, Turbochargers

Each team has their respective supervisor/manager and will be judged on:

1. Quality 2. Timeliness 3. Delivery,

QUALITY

Quality will be judged by incidents occurring monthly.

• Each team will be allowed 2 misses per month as their target number.

NOTE An incident is anything from an oil leak to a loose bolt to a more serious failure.

TIMES

Time to do the repair or perform the task. Each job will have a time associated with it based on the supervisor's assessment and TRG's established within our industry.

• Each team will be allowed 5 misses per month as their target number.

NOTE: A miss is based on labour only a parts hold-up will not count towards a missed time.

DELIVERY

Promised date to customer/branch.

- No more than 3 missed promises per month,
- 12. Upon ratification, the Company and Union bargaining committees agree to meet on a quarterly basis to discuss Company issues. The agenda for each meeting must be approved by both parties a minimum of three (3) days prior to the meeting and will contain only non-grieveable matters.

APPENDIX

SKILLED TRADES APPENDIX

 The skilled trades covered by this Appendix are as follows. Any reference in the general agreement to the term "skilled trade" includes only employees classified in the listed trades.

The skilled trades covered by this Appendix constitute those trades for which an apprenticeship is usually served, together with those classifications which form a part of an apprenticeable trade.

Journeyman Mechanic
Welder Fitter
Maintenance Mechanic
Industrial Wireman
Junior Component Rebuilder
Component Rebuilder
Journeyman/Major Component Specialist(Reman)
Welder
Undercarriage Rebuilder
Painter
Field Service Mechanic
T.A. Inspector
General Machinist
Engine Generator System Technician

The Company agrees to deduct Canadian Skilled Trades Council dues in the amount of one-half hour pay per year upon receipt of individual authorization cards signed by the employee.

- 3. The Company will advance the payment of U.I.C. allowances to apprentices while attending school on the understanding that payments from U.I.C. will be signed over to the Company.
- 4. Progression of Apprentices and Component Rebuilders: Refer to the Company Policy.

July 5, 2000

Mr. John Amato CAW National Representative, 205 Placer Court, Willowdale, Ontario. M2H 3H9

Dear John,

Please accept this letter as official notification that Toromont Industries Ltd. hereby puts the CAW on notice that we have a different interpretation of Article 30 – Severance on Plant Closureas it applies to employees with greater than twenty (20) years of service than that of the Union.

It is the position \mathbf{d} the Company that employees after twenty (20) years of service **who** are permanently laid off as a result of plant closure will receive severance pay as follows:

-Employees with less than 10 years of service:

•60 hours pay per year **₫** service

-Employees with between 10 and 20 years of service -as above plus an additional 10 hours pay per year of service for each year between 10 and 20 years

-Employees with greater than 20 years of service:

•as above plus an additional 10 hours pay per year

★ service for each year over 20 years

If the Company and the Union can not come to an agreement during the life of this contract as to an agreed upon interpretation of this clause than the Company, when a situation arises, will pay out the employee based on our interpretation σ this clause. If the Union at that time still disagrees with the Company's position then the Union may file a grievance and if necessary go to arbitration to clarify the meaning once aridfor all.

Yours truly, Bob Sleva, Manager Industrial Relations July 5, 2000

Mr. John Amato CAW National Representative, 205 Placer Court, Willowdale, Ontario. M2H 3H9

Dear John,

In response to the Union's concern regarding the waiting period under the Weekly Indemnity benefit, the Company is prepared to do the following;

For those employees falling ill when scheduled to work on Continuous Shift (three day schedule), the Company will make the necessary arrangements such that their waiting/eligibility period for receiving benefits is reduced from 3 days to 2 days.

Yours truly,

Bob Sleva, Manager Industrial Relations July 5, 2000

Mr. Herb Niepalla CAW Plant Chairman,

Dear Herb,

In response to the Union's concern, and for the purposes of advising the employees the Company's intentions with respect to the Company's Apprenticeship Program are us follows;

The Company has listened to the Union's concerns regarding the apprenticeship program and read the CAW Apprenticeship proposal. At this time, the Company does not see any value added in creating an Apprentice Board and in fact has recently created a new position (Apprentice Coordinator) whose **sole** responsibility is the development of our apprentices and mechanics. Based on this, and understanding the needs of the Union, the Company is prepared to do the following:

- Supply each apprentice mechanic and the Plant Chairperson with documentation outlining the Company's various apprenticeship programs (Truck, Power, Tractor). Such document will provide an outline of the entire program; it's administration and the progression requirements.
- 2. Provide quarterly updates to the apprentice and Plant Chairperson on each apprentice registered in the program. For each apprentice, this report will show name, current apprentice level (1, 2 or 3), start date, contract hours, cumulative hours worked, completed training courses and scheduled training courses.
- The Apprentice Coordinator will meet with each apprentice a minimum of two (2) times per year to discuss the apprentice's progress and address any concerns.

Wefeel that this will satisfy the Unions concerns regarding the development of our apprentices.

Yours truly,

Bob Sleva, Manager Industrial Relations

